G4S (Botswana) Limited

Securing Your World

2017 | ANNUAL REPORT

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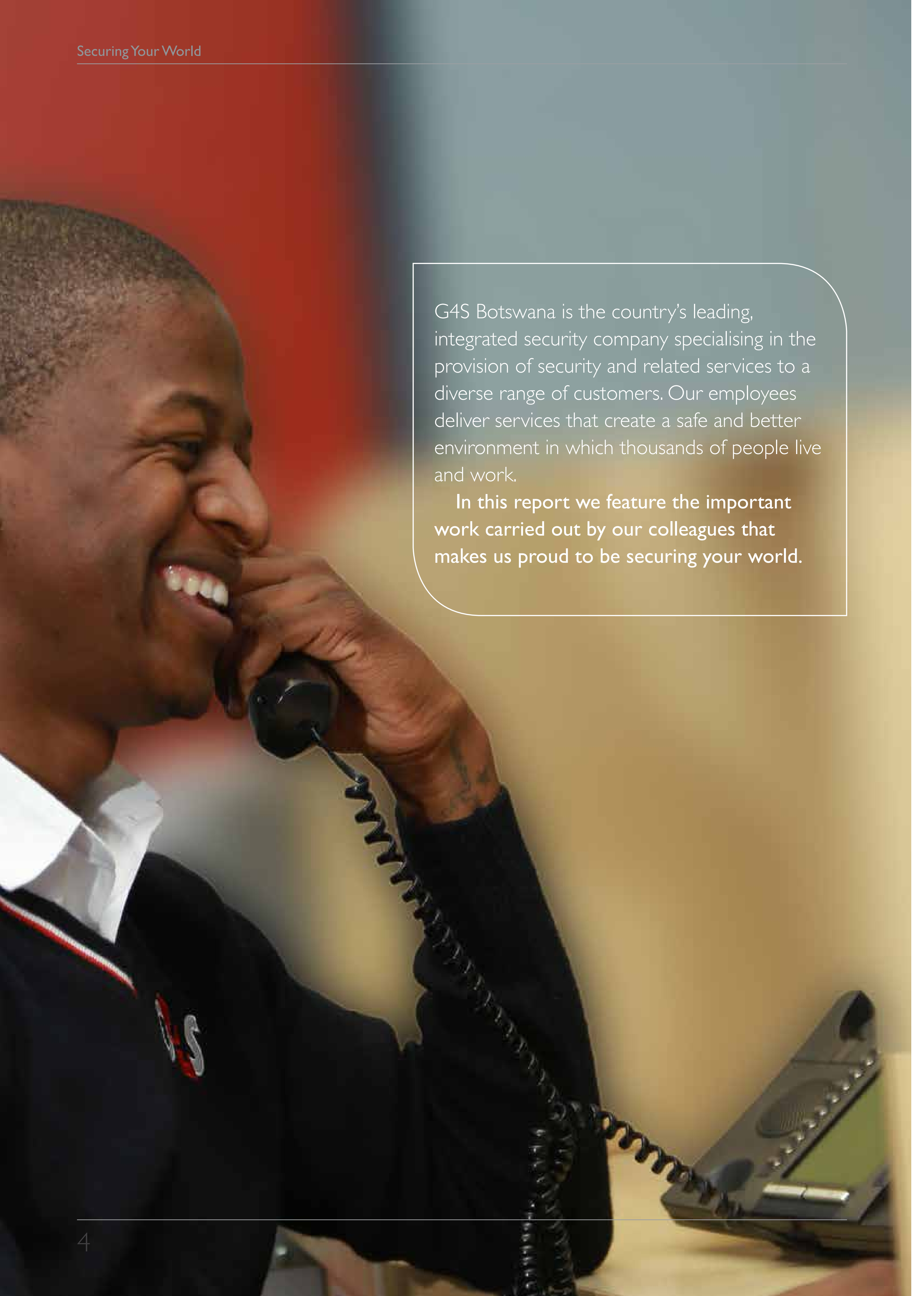

G4S Botswana is the country's leading, integrated security company specialising in the provision of security and related services to a diverse range of customers. Our employees deliver services that create a safe and better environment in which thousands of people live and work.

In this report we feature the important work carried out by our colleagues that makes us proud to be securing your world.

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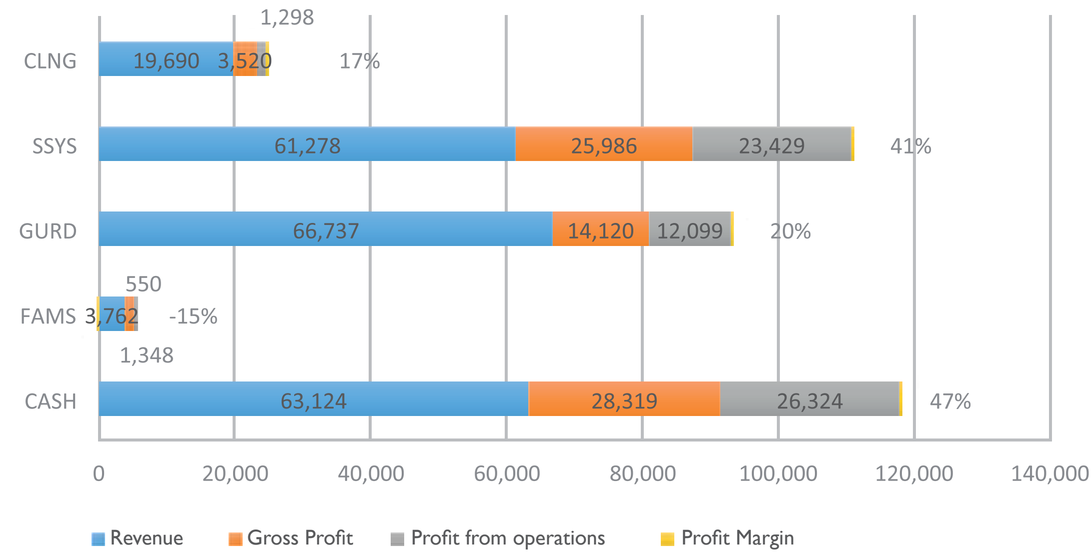
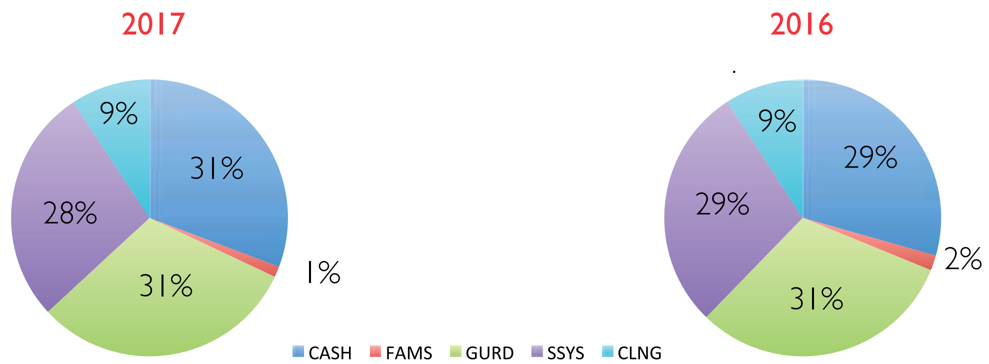
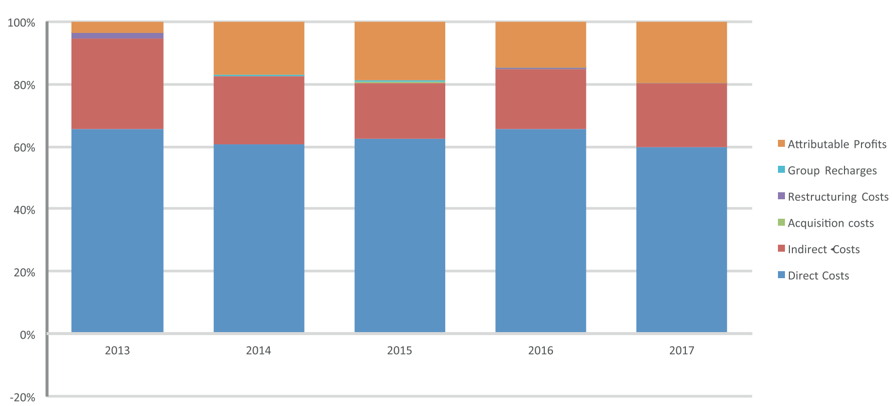
Business Split

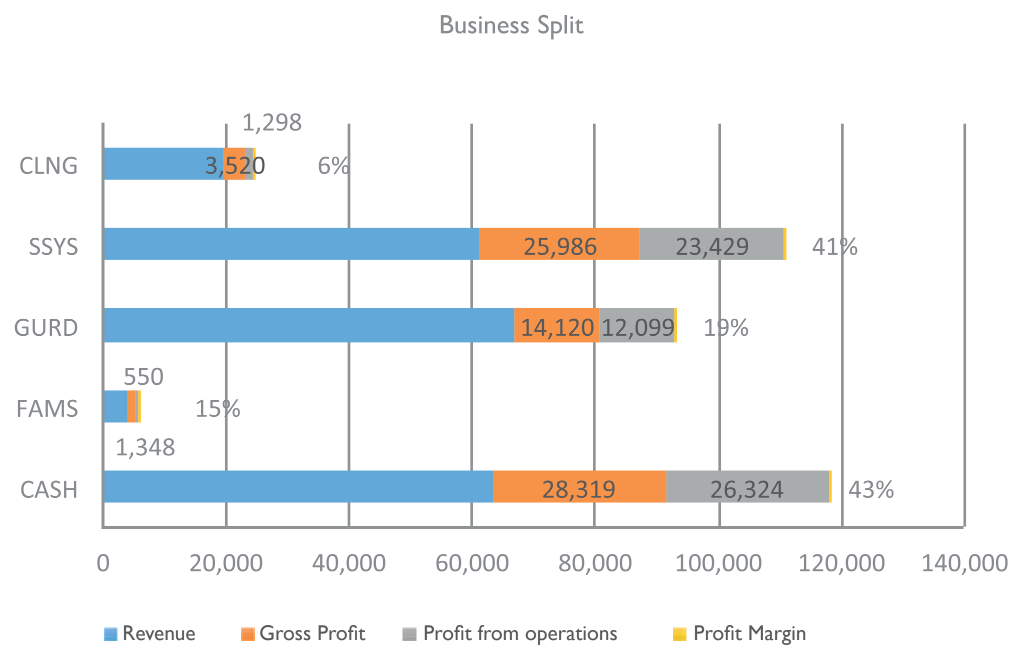


Revenue

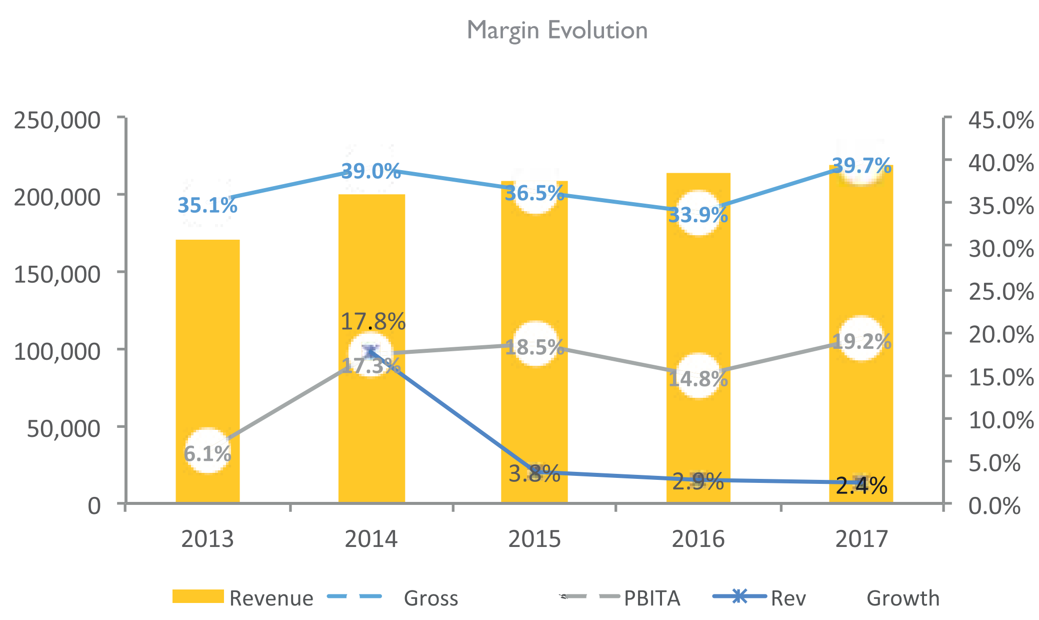


Allocation of Resources





Business Split
1,298
CLNG
3,520
6%
SSYS
25,986
23,429
41%
GURD
14,120
12,099
19%
550
FAMS
15%
1,348
CASH
28,319
26,324
43%
0
20,000
40,000
60,000
80,000
100,000
120,000
140,000
Revenue
Gross Profit
Profit from operations
Profit Margin



Margin Evolution
250,000
200,000
150,000
100,000
50,000
0
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
35.1%
39.0%
36.5%
33.9%
39.7%
17.8%
17.3%
18.5%
14.8%
19.2%
6.1%
3.8%
2.9%
2.4%
2013
2014
2015
2016
2017
Revenue
Gross
PBITA
Rev
Growth

Our Mission and Values

Our Mission

To create sustainable value for our customers and shareholders by being the supply partner of choice

Our Value Statement

WE ACT WITH...
INTEGRITY AND RESPECT

Our business activities and relationships are built on trust, honesty and openness. We do what we promise and always strive to do the right thing. We listen. We treat our colleagues, customers and those in our care with the utmost respect.

WE ARE PASSIONATE ABOUT...
SAFETY, SECURITY AND SERVICE EXCELLENCE

We are passionate about working safely and take great care to protect our colleagues from harm. We are experts in security and use that knowledge to protect our customer's assets. We keep our promises and are passionate about delivering high levels of customer service.

WE ACHIEVE THIS THROUGH...
INNOVATION AND TEAMWORK

We invest in technology and best practice to continuously improve the products and service we offer. We challenge ourselves to find new ways of helping customers achieve their goals. We work together as a team, valuing everyone's contribution, to ensure that we achieve the best results for our customers and our business.

Corporate Profile

G4S is the world's leading security solutions group, specialising in outsourcing of business processes in sectors where security and safety risks are considered a strategic threat. G4S is a trusted partner of governments, corporations, private companies, embassies, parastatals and non-governmental organisations.

The Company's integrated approach to offering comprehensive security solutions is based on a broad range of complimentary specialist services.This inclusive security solutions capability, under one organisational structure and in tandem with a wide geographical reach, allows G4S to provide a unique approach to comprehensive security solutions.

G4S Botswana is listed on the Botswana Stock Exchange and has a shareholding partnership in which G4S International 105 UK holds 70% of the shares while the remaining 30% are in the hands of citizens and local institutions.

As a subsidiary of G4S plc, listed on the London Stock Exchange, the Company can draw on the international expertise and resources of a leading global security group. G4S Botswana has about 3 032 employees delivering services to clients across the country from its offices in Gaborone, Francistown, Selebi-Phikwe, Jwaneng, Lobatse, Palapye, Maun, Orapa and Kasane.

MANNED SECURITY

G4S Manned Security Solutions are customised to each client's individual needs, using the most appropriate combination of manned guarding and security technologies. Site-specific and tailor- made procedures are agreed with the client at the onset of each contract. Regular consultation between G4S security managers and the client, especially with regard to risk assessment and customer care, ensures continual adaptation and improvement of performance management and consequent customer satisfaction. This concept of integrated security solutions is based on two simple objectives: to offer the client the most cost effective option available in the market and to set clear quantifiable goals in terms of benefits generated for the Company.

As a member of a worldwide market leader active in over 100 countries, G4S Botswana has access to highly specialised security expertise specific to airports, energy, mining, construction, custodial services, cash solutions, hospitality and financial institutions.

In summary, Manned Security Services is as follows:

- Customised security solutions

- Technology intergration
- Continual risk assessment
- Sector specialist security (mining, energy, construction, aviation, hospitality, telecoms, retail, financial and diplomatic)
- Event security
- Secure mobility and close protection

ELECTRONIC SECURITY

Secure Monitoring and Response

Through its state-of-the-art national control centre in Gaborone, G4S is able to monitor a wide range of individually identifiable signals, including, but not limited to:

- Security alarms
- Electric fences
- Fire alarms
- Medical emergency alarms
- Illegal access signals
- Vehicle tracking
- Low battery power alerts
- Portable panic buttons
- CCTV remote images

By deploying the optimum number of response crews G4S Botswana is able to achieve the quickest average response time in the industry. All crews are highly trained and experienced, and are under constant direct supervision of the control rooms. Vehicles are fitted with vehicle tracking devices, and all events and communications are logged for most effective control and performance standards management.

Through its extensive international connections, G4S Botswana has access to the most specialised expertise in the world and is able to design the most cost effective options for technical security solutions.

Dedicated Emergency Number

At G4S we believe that the safety and wellbeing of our customers is paramount. Our clients are able to contact us when faced with an emergency. The number - **16447** – can be dialled from any network and connects directly to our National Control Centre, giving our customers peace of mind, with the knowledge that assistance is always at hand.

Electronic Systems and Technology

In addition to the full range of alarms systems for residential and business

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applications, G4S designs and supplies the following:

- Access control systems
- Visual alarm verification systems
- Vehicle tracking and fleet management systems
- High security alarms
- Fire alarm systems
- Safes
- CCTV systems
- Time locks and time delay systems for safes and strong rooms
- Intercom systems
- Guard patrol monitoring systems

G4S offers comprehensive scheduled as well as unscheduled technical support for the above product range.

Fleet Management

The G4S Fleet Management Solution is a fleet telemetry management system with vehicle tracking, data management and security components designed to deliver tangible business benefits which make financial sense, by ensuring assets are secure and their usage is optimised. The system provides real-time data and instant visibility through mapping and vehicle control modules that are user-friendly and provide a perfect environment for clients to be in 'complete control' of their mobile assets.

The benefits of fleet telemetry management include:

- Real-time vehicle tracking
- Efficiency and cost control
- Fuel usage reporting and management
- Time management
- Integration
- Driver behaviour monitoring
- Management reporting

CASH SOLUTIONS

G4S Cash Solutions is the leading provider of integrated cash management solutions in Botswana. The division specialises in the secure transportation and storage of cash and valuables, cash counting, cash processing as well as ATM replenishment and maintenance for a number of the top financial institutions in the country. All movement of cash is carried out in armoured and smoke box equipped vehicles.

Key aspects of these services include:

- Cash transport using end-to-end technological protection
- Cash management – processing of deposits and sorting bank notes
- ATM Services – replenishment, first line maintenance and custodial services
- Vaulting – secure storage of cash overnight, on weekends and public holidays
- Key security – collection and delivery of strong room keys to eliminate clients' overnight risk
- Security products – tamper evident bags, seals, coin boxes
- Teller planting services – provision of tellers for cash processing services
- Deposita – supply and management of Automated Banking Machines or smart

FACILITIES MANAGEMENT

Cleaning Services

At G4S FM we ensure that it not only looks good, but that it is also a healthier and safer environment for your staff and visitors. G4S Cleaning provides top class services ensuring that all your basic and specialised cleaning needs are provided for in a professional and efficient manner. Our cleaners are motivated not only by the high level professional training they receive, but also by the knowledge that each of them is a key member of the G4S FM team, and of the Company as a whole. All cleaners are given a full induction of the customers' corporate culture ensuring that clients' expectations are met or exceeded.

The Cleaning Services division services the full range of properties, from corporate head offices to universities, hospitals and schools, keeping costs low and standards high, in line with the G4S ethos of "revenue at the right margin."

Services offered by the cleaning division include:

- Contract Cleaning Services:
  - For Offices, Shopping Malls, Banks, Schools, Universities
  - Comprehensive house cleaning
- Specialist Cleaning Techniques:
  - Steam cleaning of carpets
  - Vinyl tile stripping and sealing
  - Wood floor stripping and sealing
  - High rise building and window cleaning
  - Washroom hygiene services

Facilities Management Services

G4S offers a comprehensive range of facilities management services which are designed to make customers' facilities operations as smooth as possible, striving to offer a flexible and cost effective, and above all, more productive environment; both for the people that work there and their visitors. The division's multi-skilled staff ensure a high 'first fix' rate, employing both proactive and reactive methods to ensure minimal downtime and disruption.

Services offered include:

- Utilities and Services:

- Read utility meters
- Validate routine recurring charges - Allocate and invoice
- Collect monies due
- Authorise or make payments within agreed parameters

- Maintenance:
    - Inspect and maintain properties
- Maintenance services:
    - Electrical
    - Plumbing
    - Carpentry
    - All building services works

The division is customer focused and dedicated to meeting, and wherever possible, exceeding customer expectations. The division is committed to raising standards and enhancing the profile of the cleaning services industry in Botswana. To this end, it continually improves its processes so as to deliver high quality solutions on time, while keeping the customer informed appropriately.

BUSINESS ETHICS

At G4S Botswana we are committed to high ethical standards in our business dealings to ensure the integrity of our employees and our organisation. The Company's Business Ethics Policy is aimed at ensuring that managers and employees have a detailed understanding of the Group's minimum standards of operation and the expectations of our customers and stakeholders.

These standards reflect the values which define us as an organisation and we will continuously review these standards to ensure they remain appropriate.

Demonstrating and living up to these values by adhering to the standards set out in the policy and code is the responsibility of every employee across the organisation.

Bribery and Corruption

G4S is resolutely opposed to bribery and corruption in whatever form it may take. Any payments, gifts or inducements made by or on behalf of G4S which induce or are intended to induce someone to act improperly, payments, gifts or inducements to public officials to persuade them to do their duty (other than payments, fees, etc., which they are entitled to demand by written law) are matters which are likely to result in disciplinary action, including summary dismissal, against employees concerned.

Human Rights

G4S is committed to fulfilling its responsibilities on human rights by applying the United Nations Guiding Principles on Business and Human Rights (2011). Our commitment to respect human rights embodies our particular understanding of their significance for a global security company of our scale and diversity. It also sets our expectations for the conduct of our employees and those with whom we do business. We take a strategic approach to respecting human rights. This recognises the potentially positive and negative impacts of our operations, the particular nature of our business as a security company, the UN framework and the different geographies in which we operate.

OUR VALUES

Our values are the standards we set for ourselves and they are reflected in the culture of our organisation through our behaviours and actions. They help us to attract and retain employees, to win and retain important customers and to acquire appropriate long-term investment in the Group – all of which contribute to our goal of achieving sustainable, profitable growth. As a service business, we recognise that people are at the heart of everything we do, and we rely on them to provide excellent customer service and to behave in line with the Company's values and standards. They in turn rely on the Company to provide a safe place to work, and an opportunity for personal development, support and guidance throughout their careers.

A comprehensive review of our corporate values was undertaken during 2015, with the objective of embedding our values into our processes and practices and building them into our incentive programmes. We will continue to focus on entrenching these values in our operations and management incentive programmes across the Group. Where incidents are reported or the conduct of our staff is found to have fallen short of our values and standards, these are always treated with the utmost gravity.

Any such failures are immediately reported to the relevant authorities and an internal investigation is conducted, or, where indicated, an independent third party is appointed to carry out such investigations on the Company's behalf. Lessons learned from any breaches of policy or standards are applied to ensuring that the relevant practices are adapted to prevent future recurrences.

LEBANG M MPOTOKWANE
Chairman

Reaching New Milestones

Chairman's Report

2017 proved to be an extremely good year in which G4S Botswana (Limited) did exceptionally well. This stellar performance came on the back of a disappointing 2016 (PBITA declined by 19% vs 2015) as well as tough economic trading conditions in the year under review.

Profit Before Tax

25.6%

improvement over 2016

Overview

2016 was a year of change during which we saw a number of challenges raised by economic, political and social forces. It was a year of uncertainty, complexity and volatility as we witnessed our Profit Before Tax decline by 19% against 2015. 2017 however, brought a change in fortunes for G4S Botswana (Limited) as we performed exceptionally well. Having reorganised our portfolio to become more resilient and competitive, G4S is now more stable and on more sound financial footing, realizing a Profit Before Tax of P40.22 million, which represents an improvement of 25.6% over 2016. Revenue grew at 2.2 % in a subdued economy, which struggled to break the 4% growth mark amid a record number of closures in the mining sector.

This is by far the best performance, from a Profit Before Tax perspective, that G4S has ever recorded and it buttresses the trust we have placed in our financial prudence and good governance approach to issues. On the backdrop of a weaker performance in 2016, management implemented a stabilization plan, which focused on restoring growth to both top and bottom lines in an overly tough trading environment. This renewed focus meant that G4S went back to the basics in which it is firmly rooted, which are improved customer service and operational efficiency. The growth, reflected by the gross profit, which stands at 16.3%, indicates a highly efficient organization, which has re-assigned resources to its core business in order to service its customers better. What is pleasing is that we saw a turn-around in financial performance that was coupled with a general rise in employee satisfaction. Our employee satisfaction survey carried out in 2017 posted a 4 % improvement in the staff morale index. This depicts a hopeful workforce that believes in the direction and future of the company.

Re-Organisation- Stabilising the business

The challenges in 2016, which led to a subdued performance, necessitated the implementation of a plan to stem the tide as well an offer a rapid turn-around to our business. This plan was anchored around motivated employees, operational excellence, customer centricity, cost containment and profitable revenue growth. It is evident from the massive growth in our gross margin that the plan yielded the desired results in the areas of efficiency and optimization. Even more gratifying is the fact

that through implementation of this plan, the business was able to generate more revenue. Operating Cash Flow (OCF) grew by 14.3%, which is significant as it allowed management to re-invest in the business. As a consequence of improved cashflow we saw the introduction of new vehicles in the Alarm Monitoring and Response business. This investment greatly improved our response times resulting in highly saisfed customers. In the Manned Guarding business, we were able to invest in uniform and other resources required to better service our customers .

In light of the exceptional financial results, investment into our business as well as improved staff morale, I can attest to the fact that this was a well-executed intervention to stabilise the business, with medium to long-term objectives. The bedrock of the plan was principles imbedded in our G4S values of ensuring that we offer great service quality. The plan was carried out with integrity and respect, at lighting speed with transition being carefully managed through regular communication platforms and timeous updates by management. A platform for future sustainable growth has therefore, been created. I am also pleased to inform you that management has developed a 3 year strategic plan (2018 - 2020) which uses the stabilisation plan as its step off.

This strategic plan aims to reposition G4S Botswana as the service provider of choice, given our competitive advantage in the market place. Management has also stabilised and streamlined our alarm monitoring and response business, which has been a challenge over the last 3 years. On operational enhancement, management successfully completed the migration of alarm billing to the same platform where they are monitored. This migration will provide improved capacity to enahnce our service quality and ensure billing accuracy which will greatly improve our collections.

Engaged Employees

Employees and society at large are at the heart of our business and as such, we have placed their health and safety at the top of everything we do. Our Zero Harm Policy and its supporting actions have yielded zero fatalities in 2017 compared to 1 in 2016. We continue to place greater emphasis on Health, Safety and Environmental awareness for our employees. We have focused on behaviour-based interventions for those that drive our vehicles. We are proud to announce that we have a fully-fledged driver training and monitoring plan across the entire business. Skills development and capacity building for our employees is also key to the sustainability of the company. We have therefore, instituted training for our Supervisors as well as frontline staff to ensure that we cascade this ethos of great service provision to all levels. Management has launched "town hall" meetings in which they afford our employees the opportunity to interact with them on issues and developments related to the business.

Governance

Two Non-Executive Board members were re-appointed at the end of their tenure after they put themselves up for re-election at the 2017 Annual General Meeting of shareholders. This will ensure continuity and sustainability given their skill set and experience. The Audit Committee was re-designated into the Audit and Risk Committee. The Internal Audit reports and Cash business audits carried out by G4S PLC (Global) were tabled before the sub-committee to further enhance the risk management function of the Board of Directors.

With the previous year (2016) having been a rather challenging one for G4S, our 2017 performance has put G4S Botswana firmly back on track and the outlook is an extremely positive one, taking into account the 3 year strategic plan and its intended objectives. The 2017 results will serve as a confidence booster to the market and especially to our customers, that G4S is on track to better service them. The continued enthusiasm that is reflected in the G4S Team gives me comfort that we will continue to drive shareholder value 2018 and beyond.

Shareholder Returns

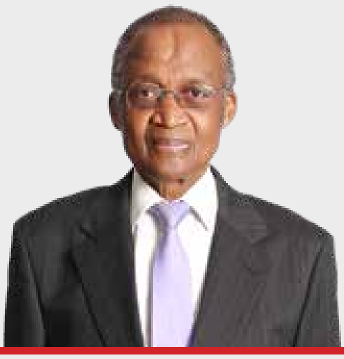
G4S (Botswana) Limited paid an interim normal dividend of P9.704 million and a final normal dividend of P9.6 million. P19.304 million has been proposed during 2017, equating to a total dividend of 24.13 thebe (gross of tax), marking 13.8% growth from 2016 in returns for our shareholders.

Final Word

I wish to extend my heartfelt thanks and congratulations to the board, management team and staff for their continued dedication and faith in the implementation of a far-reaching and much-needed turnaround strategy. Special thanks is owed to our customers and investors for their continued support. I sincerely believe that G4S has repositioned itself successfully, consolidated its leading position in the market and can look forward to continued success into the future.

Lebang Mpotokwane
Chairman

Board of Directors



LEBANG M MPOTOKWANE
Chairman

Lebang Mpotokwane joined INCO Holdings – now G4S Botswana Limited – as a shareholder and Executive Director in 1989, and has served as the Non- Executive Chairman of the Company since 1992. Mr Mpotokwane also served as the Non-Executive Chairman of AON Botswana and of Associated Fund Administrators Botswana since 1991. He has been a director of Komatsu Botswana since 1993.

Mr Mpotokwane previously served as Chairman of the University of Botswana Council and his other non-executive directorships have included the Botswana Development Corporation, Debswana Diamond Company, Standard Chartered Bank of Botswana, PG Industries (Botswana) and Rural Industries Promotions Company Botswana.

MOKGETHI FREDERICK MAGAPA
Managing Director

Mokgethi Magapa has over 20 years working experience with executive leadership, governance and business expertise in a variety of industries including marketing, quality assurance, telecommunications, manufacturing, retail, logistics and international trade. His most recent role was at DHL Express International as Country Managing Director – Botswana, where he served for three years and nine months. DHL Express International is part of the Deutsche Post DHL Group listed in Germany. Mokgethi has also worked for Samsung Electronics as its Country General Manager (Botswana). He is an experienced telecommunications expert, project implementation leader and strategist who has carried out many projects in this space during his eight years in the sector, including leading the setting up of beMOBILE.

Mokgethi holds a Bachelor of Science degree from the University of Botswana, a Post-Graduate Certificate in Telco Policy & Regulatory Management from the University of the Witwatersrand and has completed the University of Stellenbosch Management Development Programme.

PETER HAMILTON KGOMOTSO
Finance Director

Peter joined G4S Botswana in February 2017 as Finance Director. He has over15-years' finance executive and CPA experience, six-and-a-half of which were spent in the banking industry and about three-and-a-half in the FMCG industry. Over the years he has been involved in building, leading, and advising corporations through hostile trading environments, international expansion, and reconciling capital supply with demand plans. He has a strong background in Business Intelligence, Finance Systems and Business Process Transformation project management. Peter has experience in value chain mapping and analysis, cost restructuring, and unlocking revenue leakage leading to bottom line growth, as well as in structuring and negotiating transactions and favourable terms with commercial banks.

Peter holds a Fellow Professional Chartered Accountant (FCPA) membership with the Botswana Institute of Chartered Accountants, is a registered Fellow Chartered Certified Accountant with the Association of Chartered Certified Accountants (ACCA - UK) and is also an Accounting Technician with the Association of Accounting Technicians (AAT - UK)
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The Board has a clear mandate to not only mantain G4S' leader status in the market, but to influence it's growth as a business model and to positively impact the lives of the community at large and it's shareholders respectively

LORATO MOSETLHANYANE
Non-executive Board Member

Lorato Mosetlhanyane is a Fellow of the Association of Certified Chartered Accountants (FCCA) and holds a Master's degree in Business Administration (MBA) from Oxford Brookes University in the UK.

Lorato is the founder of PinnaLead (Pty) Ltd, a company she started in March 2013 after working as an accountant at different levels for over seventeen years. She is also an integral coach, having completed the Associate Coaching Course (ACC) through the Centre for Coaching which partners with the Graduate School of Business at the University of Cape Town and New Ventures West, based in San Francisco. Lorato currently serves on the Botswana African Youth Olympic Committee (BAYCOG) and she brings a wealth of experience to the G4S Botswana Board, which she joined in November 2013.

TUMIE MBAAKANYI
Non-executive Board Member

Tumi Mbaakanyi is a Financial/Management Consultant in private practice in Gaborone, Botswana, with over 20 years of experience in; project management, audits, due diligences, corporate renewals, corporate strategy facilitations, risk management, judicial management, business valuations and business brokerage. Tumi Mbaakanyi is a BA (Economics & Accounting) graduate, chartered accountant and certified auditor. She is a Fellow member of both the ACCA and BICA and is a Member of the Association of Certified Fraud Examiners (ACFE).

Tumi is the Chairman of the Board of Directors at Old Mutual Life Insurance Botswana (OMLIB) and a member of the Board of Directors at Old Mutual Financial Services Botswana. Tumi is a member of the Independent Complaints Review Committee (ICRC), an independent arm of the Public Procurement and Assets Disposal Board (PPADB). She is a Business Botswana Council member – Member and Finance Committee Chairperson; and Botswana Women Entrepreneurship Development (WED) Program – Taskforce Chairperson.

GAONE MACHOLO
Non-executive Board Member

Gaone Macholo has been in Human Resources for 22 years and is currently employed as Director - Human Resources at First National Bank Botswana. She has served on the Board of G4S as Non-Executive Director since August 2012.

Before joining FNBB, she held the executive position at BCL of Divisional Manager - Organisation Capability. Prior to that Gaone was with Debswana Diamond Company where she started as a Human Resources Superintendent, rising through the ranks to become a Senior Human Resources Manager at Jwaneng mine. Her responsibilities at Debswana covered employee relations, the development and implementation of the Human Resource Management Strategy, driving the performance management system and various other duties. Gaone has also worked for BTC and the Ministry of Health. Gaone Holds a Bachelor of Sciences from the University of Botswana and a Master of Public Health, Health Policy and Management from the University of Massachusetts. She also completed an Executive Leadership Development Programme with the University of Cape Town, and holds a Certificate in Industrial Relations from the University of the Witwatersrand.

ALBERT EDWARD UECKERMANN
Non-executive Board Member

Eddie is the Commercial and Strategy Director for G4S Africa. Eddie is a member of the Africa Region Executive tasked with effectively and sustainably running the Africa business unit. Eddie's role in the organisation is to understand the customers' business issues and risks and ensure that G4S has the capability to deliver new and existing, market related, commercially viable solutions. Eddie's role integrates the identification of customer and market trends so as to maintain G4S's position as a thought leader in the African security services industry. Eddie has more than 20 years' experience in doing business in Africa, and has a deep understanding of the African commercial and regulatory environment. Before joining G4S, Eddie held a similar role in a multi-national logistics company. Eddie holds a Master's Degree in Economics from the University of Johannesburg.

Audit Committee

The Audit Committee is responsible for oversight of the quality and integrity of the Company's accounting and reporting practices, controls and financial statements.

MOKGETHI FREDERICK MAGAPA
Managing Director

GAONE MACHOLO
Non-executive Board Member

LORATO MOSETLHANYANE
Non-executive Board Member

TUMIE MBAAKANYI
Non-executive Board Member

PETER HAMILTON KGOMOTSO
Finance Director.

Executive Committee

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JOHANAH MOTSWAGOLE-KONINGS
Human Resources Director

Johanah Motswagole-Konings joined G4S (Botswana) in February 2017 as Human Resources Director. She is an accomplished Human Resources professional with over 18 years work experience in different environments and industries. Johanah previously worked for FSG Limited for five years as the Head of Human Resources. Prior to this role, she was the Section Manager for Employee Services at Tati Nickel Mining Company. She brings a wealth of HR experience to G4S.

Johanah obtained a Bachelor of Arts in Social Sciences majoring in Economics and Public Administration from the University of Botswana and is currently studying towards an ACCA qualification. She also holds a Management Development Programme certificate from the Stellenbosch University Business School. Development Programme.

KUTLO BROWN
Sales Director

Ms. Kutlo Brown joined G4S in February 2016 as Sales Director. Prior to joining G4S she has over eight years Sales experience having worked in the Banking and Logistics industries. Kutlo has worked for BancABC in Treasury Sales, DHL International Botswana as Country Sales Manager and Standard Chartered Bank as Head of Sales - SME Banking.

Kutlo completed her Bachelor of Commerce (BCom) degree from The University of Witwatersrand in Johannesburg, South Africa also completed a Certificate of proficiency – LongTerm insurance from the Botswana Accountancy College.Accountants (ACCA - UK) and is also an Accounting Technician with theAssociation of Accounting Technicians (AAT - UK)
.

HENNIE SWANEPOEL
Operations Director

Hennie is an experienced businessman, team leader and mentor with a strong track record of delivery.

Having spent the last 33 years in customer driven businesses, with the last 20 years in the Security Industry with G4S in senior positions and currently heading up the G4S Botswana Business, as Director of Operations, Hennie brings a wealth of expertise and knowledge to the field. His passion for service excellence and strategic thinking brings process to a common sense level that can be understood and executed by any business.

Hennie assisted in developing one of South Africa's largest mining industry service providers, providing innovative services and solutions, doubling the size of the business within 20 months. During this period Hennie achieved several accolades, including:

- Outstanding Achievement (Growth of a Product)
- Expertise Award within a Sector
- Highest Organic Growth within a Sector

MOKGETHI FREDERICK MAGAPA
Managing Director

Cultivating Sustainable Growth

Managing Director's Report

Coming from a backdrop of declining profits in 2016, 2017 would be what can be described as a watershed year given the impressive results that we posted.

Overall Performance

2017 can be described as a watershed year given the impressive results that we have posted. Under the current trading conditions, we have seen listed companies in different sectors regressing and those that achieved growth, doing so with single digit figures. A net profit growth of 22.4 % is incredible by any standard given the environment of foreclosures in the mining sector, increased unemployment and a generally sluggish economy. What is even more exciting for us, i s the fact that we managed to grow our gross margin by an astounding 16.2% over the previous year.

This development was mainly driven by the stabilisation plan that was put into effect in June 2017, spearheaded by our core strategy of re-aligning processes and systems and repositioning the business in the market as a customer centric one . Great emphasis was placed on value chain review and the outcome was the freeing up of resources for re-investment in critical areas. Our drive on customer excellence underpinned by operational excellence managed to achieve revenue growth of 2.2%. The gross margin grwoth of 16.2% over last year, demonstrates that our plan yielded the desired results as we realised very high conversion rates.

The growth in Operating Cash Flow (OCF) by 14.2% indicated that the business could now re-invest in vehicles, uniform and employee development. The foundation of a cost containment culture has been laid out and is a major departure from the traditional cost cutting approach as it implies doing more with less. It forms the core DNA of the way in which we trade as a business.

Also key to this quick turn-around is an employee-focused Change Management Programme embedded within our stabilisation strategy. Our view as Management was that prioritising employee engagement as well as the health and safety of our employees, would give us the required traction. Employees were not only part of the change process but actually drove change within our transformation agenda. This approach fitted in with G4S Botswana's core values, particularly those of acting with integrity and respect for our people and customers.

We continue to engage our employees so that we get the best out of them and this is bearing fruit as our level of customer service has improved dramatically. We have even posted 'best in class' results in some of our service lines. These outcomes present us with a great stepping-stone on which we will continue to build a solid foundation for sustainable future growth.

Having developed and deployed the stabilisation plan, we adopted 5 key pillars which were the main focus areas for our business in 2017 and beyond (2020) to ensure keen focus on what would yield the desired results quicker and sustainably.

The focus areas were as follows :

Employee Engagement

Key to our successful quick turn-around was the championing of issues to do with employee engagement. G4S strongly believes that employees are our most valuable assets. We have created platforms such as town hall meetings and quaterly briefs and toolkits in the health and safety space. This is to ensure that we keep in

NET PROFIT GROWTH

22.4%

2017 - 2018

2.2%

Revenue Growth

OCF GROWTH

14.2%

2017 - 2018

constant touch with our employees, thus creating opportunities to engage and motivate them.

Additionally, in order to pro-actively manage staff issues, we have set up and resourced an Employee Relations Office which has gone a long way towards creating a much healthier work environment. We spent a lot of time and effort on our workplace employee safety model and this has seen us strengthening our Health, Safety and Environment (HSE) function due to having a relevant Manager in place. It has also allowed us to review and re-calibrate our health and safety improvement plan with emphasis placed on road safety and targeted towards changing and improving our drivers' behaviour.

Our target of zero harm continues to be the pinnacle ethos on which our HSE objectives are placed and we are proud to say that we recorded no fatalities in the year under review. We however, continue to focus on major incidents or what we term near-misses, to bring that figure down.

We cannot overemphasize the importance of safety in relation to our people. We continued to review the adequacy of our Speak Out platforms in order to ensure that every employee has an opportunity to engage the business, anonymously and in a protected environment, on matters of business ethics.

Operational Excellence

In line with our values of safety, security and service excellence, we have invested a lot of time, effort and material towards ensuring that we restore our operational capacity to the point of excellence. Our starting point emerged from looking at our processes and this included automating some of them Notable amongst many, is the migration of Alarm Monitoring and Response (AMR) billing to the same platform on which alarms are being monitored. This has enhanced our capability in billing as well as monitoring and has seen an improvement in our response time, which currently is ranked as industry 'best in class'. We continued to invest in newer vehicles across the business as well as focusing on risk management and corrective action on our key sites. This was strengthened when we re-organised our Operations Department to have a national reach and control in order to better serve our customers besides ensuring consistency around the country.

Customer Centricity

Key to our overall growth is our ability to better service our customers. Having evaluated and changed our processes, systems as well as re-organising our functional structure, we believe that we now have a customer centric organisation. Part of the transformation resulted in the setting up of a "back office" which will predominantly be tasked with Alarm Monitoring and Response (AMR) issues across the whole value chain. Pivotal to tasks, they will deal with walk in customers, call in customers and addressing of new contracts, queries, payments and collections.

This was in light of having reviewed our processes and identified a gap for a centralised point of AMR customer engagement. Structurally, across the whole business, we introduced and parlayed the business to operate on internal SLA in cross-functional activities that influenced service delivery for our customers. We ramped up our customer engagements as we continued the quest to be closer to them. We believe the strategies deployed in 2017 will yield results from a customer retention point of view in 2018.

Cost Containment

Our ultimate desire is to create and maintain a "cost-conscious" culture within our business as opposed to "cost cutting", with the implication being that we should always strive to do more with less. This regime affords us the opportunity to stay competitive in our business given that our customers expect better services at lower prices yet our suppliers increase their prices

every year. In the year under review, we put in place aggressive but targeted cost containment initiatives, in a bid to make our business as lean as possible from an input cost perspective. Our gross profit growth of 16.2% over last year is testimony to the success of this undertaking. Collections is an area that received special attention in 2017 and will continue in that vein moving forward. We have spent the past year cleaning our debtors book and we believe that the measures that are in place are practical and should yield better results moving forward.

Revenue (Profitable) Growth

We continued to focus on profitable revenue growth and part of the process entailed evaluating our contracts, scaling back on onerous ones and reviewing those with low margins. Overall, we strengthened the capability of our commercial team and are now correctly configured going into 2018. It is important that as G4S we dominate the top end of the market in all industries given the level of expertise and investment in our operation. We attracted very good contracts in the cash space and repositioned our systems business to take on a more solutions-driven outlook to sales.

Our great success was in the Cash 360 (Deposita) product, which saw a huge uptake in the retail segment. We have also started implementation through integrated solutions provisioning to our customers, housed around the facilities management unit.

Manned Security Services (MSS)

With over 780 companies registered to provide manned security, this has become an over-traded space with margins dropping even further as smaller players adopt aggressive pricing. 2017 was no exception to this trend and we have seen a proliferation of even more new companies. This is further driven by the 100% citizen reservation for government tenders as well as most parastatals. The Private Security Act, since promulgation, has not given rise to industry regulation and it is our firm belief is that bringing regulations into effect would level the playing field as all players would then have minimum standards to adhere to. We would therefore see the rates that they charge clients normalising.

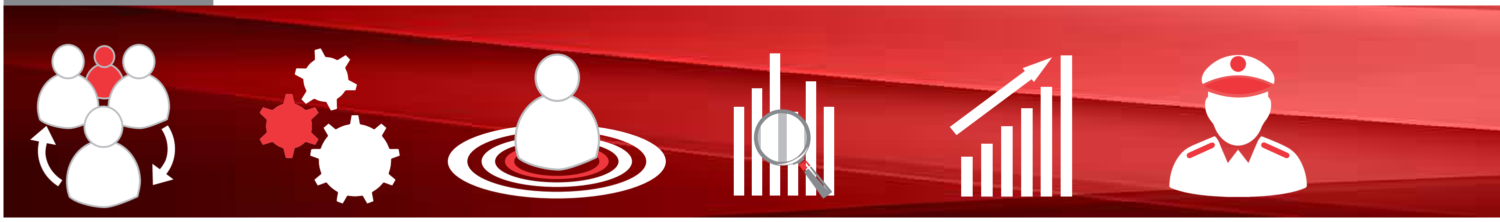
Under these trading conditions, our MSS revenue grew by 2.4% and we believe that it showed resilience, driven mainly by new business and once-off contracts. We have since re-focused our attention on event and ad-hoc manned security services which tend to provide higher margins than normal long term contracts. We invested a lot of effort on labour management to improve our gross margins. Due to labour management efficiencies and a fresh outlook on cost management, we posted an impressive 154% Profit Before Interest, Tax and Amortisation (PBITA) growth over last year.

Alarm Monitoring & Response (AMR) and Systems

Historically this part of the business had seen a decline which was driven mainly by deteriorating services as well as poor data management resulting in inaccurate billing of our customers. As part of our mission to improve billing quality and reliability in the alarm monitoring space, we migrated our billing to the listener platform which is also used for monitoring. With this enhancement, we have embarked on a database clean-up, which has resulted in non-paying customers being disconnected. This yielded great improvement in our efficiencies and the gross profit increased by 36.6% over last year, translating to a PBITA increase of 19.5% against a backdrop of decline in revenue by 1.05%.

With improved quality of service in the AMR space, we reorganised our business to further harness the opportunities presented by technology. We have engaged expertise in systems security technology and IT integration. This will allow us to consolidate our technology offering to our customers and provide better focused solutions.

Focus Areas



As margins decrease in manned security deployment, we see great opportunity in remote surveillance.

Cash Solutions

Our revenue from this business line grew by 7% over 2016 driven mainly by Cash In Transit (CIT) solutions through growth in the retail sector. We have seen a number of new companies enter this space and we continue to distinguish ourselves with our service offering. Our cash processing service and ATM management continue to grow in volume as we absorb new clients. We have invested heavily on improving our efficiencies in the cash business. Route planning and vehicle usage optimization was top of the agenda and this yielded positive results with an increase of our gross profit by o23.3%. It boosted performance by driving down our cost of sales by 5,5% and we are currently looking at automating the bulk of our cash operation.

Our cash 360 or "Deposita" product as it is known in the market, continues to make tremendous strides. We have seen a surge in the retail sector (mainly fuel stations and fast food outlets) update of this product. It is apparent that its keen competitiveness addresses the challenges experienced by this segment. We have therefore stepped up all efforts to ensure that we are fully integrated with all the banks by 2018 with a view to giving our customers maximum value through this product.

Facilities Management (FMS)

Our FMS business revenue declined by 2% mainly due to the facilities management portion which declined by 27.1% whilst the cleaning business (which accounts for over 80%) grew by 3%. The overall decline was due to the normalisation of accounts that were non-profitable and therefore being hived off. We also dismantled some services in the managed services space which were no longer in line with our direction in the facilities management service business. We have re-organised the business and introduced new processes in cleaning to better service our customers. We have also brought in skilled resources in the soft and hard services space and we are now in pole position to compete in the FMS market space. Overall, we achieved an increase of 51.3% in PBITA despite the drop in revenue. It is our firm view that this business is well positioned to deliver more value to the group and there is great opportunity for more top line growth given the developments in the market place around facilities management.

Human Resources

On assessing the business and having reviewed the processes and systems, it was apparent that there is need to review the HR functional structure. This was to ensure that it is realigned to better support the business with emphasis on efficiency as well as employee engagement. Historically, there has been a high number of labour cases and the introduction of a Labour Relations Manager has improved this area dramatically with very few cases recorded in 2017.

Part of our focus as a business, was driving a high performance work culture. The HR structure gives greater organisational capability to deliver on this mandate and the 2017 results bear testimony to this. Improvement in corporate governance, introduction and review of policies, and transparency and fairness drove a very motivated work force. Levels of communication have been enhanced through town hall meetings that were held across the country as well as monthly staff interactions with the Managing Director. Our Speak Out platform which gives our employees an opportunity to report any wrong doing and improper conduct was vigorously promoted and well received, improving staff morale as we see an increase in cases reported through this platform. This augurs well for the organisation as it implies that staff understand our ethos and are also confident the system will address these should they be brought to the fore.

Skills development and training were identified as areas of focus in 2017 and mainly in the Supervisory Skills. We rolled out a Supervisory Development Programme, which is set to cover over 45 Supervisors and Junior Managers. This is to improve their supervisory capability and better support the frontline staff in service delivery.

Another key area for us was that of Health Safety and Environment (HSE). Whilst we recorded no fatalities in the year 2017 versus 1 in 2016, we still are concerned by the number of near misses, particularly in road traffic accidents. Our key focus was on driver behaviour with a view to bringing down the number of road accidents. We strive to keep all our employees safe at all times from the challenges and risks that come with our industry. We have since recruited an HSE Manager as well as an HSE Coordinator to centralise and elevate the issues around HSE to mitigate these concerns.

In 2017 there were some notable Regional Achievements:

- One of our employees attained second position in Living the G4S Values awards at the Regional Africa awards.
- G4S Botswana attained second position in CSI initiatives at the Regional Africa awards.
- Certified as Africa Top Employer 2017

2018 - 2020 Key HR Priorities are:

- Embed health and safety in operations as well as drive health and safety training and awareness

Alarm Monitoring & Response | Cash Solutions | Facilities Management | Human Resources | Sales and Marketing | Future Prospects

- Improve the company performance and build a high performance culture through PMS
- Strengthen and invest in supervisory and managerial skills and competencies
- Improve employee engagement programmes and welfare

Sales and Marketing

This department needed a complete overhaul to align it to the new vision and approach in terms of customer engagement and business development. As outlined, our consolidated approach meant that our sales and marketing approach should be converged and therefore we needed higher skill set levels within the department. Our focus on technology as a cornerstone of our service delivery for other business lines meant that we had to re-organise our Sales department. We have brought in two Sales Managers to oversee the technology function as well as to oversee MSS, Cash and FMS from a business development and account management perspective. We have also strengthened operational capability for them to better support the sales and marketing process. The Sales Executives have now been fully trained on our products and services and have access to support in the technology department which was set up in 2017.

Part of our strategy in 2017 and beyond is the improvement of customer retention capabilities. Whilst our core value is the quality of service provided, relationship management is key and the ability of our customers to interact with the business in the event of service failure or any other assistance they may require. We have therefore, strengthened this aspect of our business by creating a centralised customer complaints platform to be housed under our back-office function. We have also revamped our broad customer service function and have created a role that will over-see all aspects of customer service across the entire business. In 2017 we were able to reduce our churn tremendously and that is set to improve even further in 2018

Future Prospects

We continue to implement operational and service improvements, with increased capacity to provide better customer satisfaction and enhanced security solutions. The leveraging of our technological capability regionally and globally would give us a competitive edge in a market that is still driven by traditional manned guarding solutions for customers.

The cash processing and management space, including ATM management, offers great opportunity. As the first mover and with greater capability, we see cash as a great flagship business given the products and services that we are able to introduce to the local market.

We will continue to acquire customers with great emphasis placed on reviewing our client portfolio and service mix to achieve sustainable revenue growth. New areas (geographic) of business operation, new products/services as well as partnerships are set to provide us with the quantum leap that is required for revenue growth. This will create sustainability in our business and allow us therefore the ability to fully invest in our operation.

As we strive to enhance our operational capability, automation and outsourcing of non-core activities will be top of the agenda. We believe this would give us the agility to improve our mainstream business. The Facilities Management business presents unparalleled opportunity given that we are the only security and risk management company that offers that particular service.

Our 5 pillars are; ***Employee Engagement, Operational Excellence, Customer Centricity, Cost Containment*** and ***Profitable Revenue*** growth shall continue to anchor our business moving forward.

Acknowledgements

To G4S Botswana Staff:
I would like to once again thank each one of you for the sterling service you continue to deliver day in and day out under very difficult circumstances. Personally, I am humbled every time I engage our women and men in uniform in their stations and what strikes me the most is the pride and passion with which they wear the G4S badge.

I know the rapid transformation has been extremely uncomfortablebut as I always say, "No Pain,No Gain." I am extremely honoured by the opportunity presented me to lead you and most importantly the transformation of our business. We must be proud of the exceptional results that we have delivered and I say, let us keep our eyes on our medium term plan of sustainable growth."

To the Board of Directors and Africa Regional Office Management Team:
The Guidance provided has been invaluable in achieving this massive turnaround within a period of 9 months and I look forward to the coming years where we reposition G4S Botswana in the marketplace to be the world class company that it is.

Mokgethi Frederick Pheage Magapa
Managing Director

PETER KGOMOTSO
Finance Director

Defining Our Growth Plan

Finance Director's Report

Our balanced portfolio offering presents opportunities for future growth reflecting both product mix and customer retention benefits – We have a solid foundation on which to build a sustainable business

Revenue	Gross profit	Profit before tax
+2.2%	+28.7%	+25.6%
BWP 218.5m	BWP 37.2m	BWP 40.2m
(2016: BWP 213.8m)	*(2016: BWP 28.9m)*	*(2016: BWP 32m)*

Operating Cashflow	Dividend per Share	Cash & Cash Equivalents
+14.2%	+13.8%	+205%
BWP 43.7m	24.13 thebe	BWP 27.8m
(2016: BWP 38.3m)	*(2016: 21.2 thebe)*	*(2016: BWP 9.1m)*

Financial Performance Overview

Key highlights

- Our cash and cash equivalents expanded by 205% benefitting mainly from improved trading conditions and collection efforts.
- Profit Before Tax earnings grew by 25.6% driven by both top line growth and productivity benefits on cost of providing services.
- Manned security services grew by 2.4% on the backdrop of sustained new business acquisition and contract retentions.
- Our cleaning business segment ramped up by 3%, owing to moderate pricing and contract retentions.
- Facilities management scaled down by 27% as we withdrew from unprofitable arrangements.

"Our strategic priority to drive a balanced top line growth by enhancing our service offering through innovative mediums is yielding results as we continue to broaden and deepen our customer base."

Revenue

Group revenue grew by 2.2% primarily bolstered by mixed category benefits, new business and positive contract adjustments.

Our out-sourced cash services delivered a stellar 7% top line growth, owing to enhanced demand and customer retention, underlining the value our Deposita technology brings to retail and bank customers.

Manned business services expanded by 2.4% supported by customer retention, new business as well as short term contracts. Lastly our cleaning, security systems and facilities management segments, registered progression growth rates of +3%, +1% and -27% respectively, reflecting new business gains and customer retention offset by non-performing assets.

Gross Profit

"Variable cost productivity enhanced by deployed labour efficiency management and optimisation of our route to market"

Group gross profit grew by 28.7% reflecting effective productivity initiatives on variable costs by management pertaining to value chain management and optimised route to market, with regard to both labour efficiency and route planning. We strive to enhance our value chain through efficiency programs that enable us to re-invest in our key customer relationships.

Profit Before Tax

"Underpinned by limited opportunities to flex fixed costs, and with slowing revenue growth, performance is bolstered by product mix benefits and profitable revenue growth management"

Group Profit Before Tax grew by 25.6% as we were able to re-negotiate some of our existing supplier contracts, do away with wastage and rebalance our ability to support our order to cash process more efficiently.

We will continue to focus on the following;

- Integrated sales approach.
- New products and services which will be solution based.
- Continued process re-engineering.
- Productivity and efficiency yields from continued re-organisation.

"...we will continue to bolster our key relationships and invest in our customers through bundled technology offerings and re-aligning our mandatory risk assessments".

Whilst our deployment is technology based in our security solutions offering, we started reaping the benefits in our electronic security offering around mid-year. This further improved process handling reflecting positively on our customer retention achievements and leading to a revenue upside of 1%. Group net earnings expanded by 22.4%, owing to improved customer retention gains as well as greater liberation of resources. This was more pronounced in both our secure solutions and cash services which were partially offset by the impact of non-performing contracts.

Future Prospects

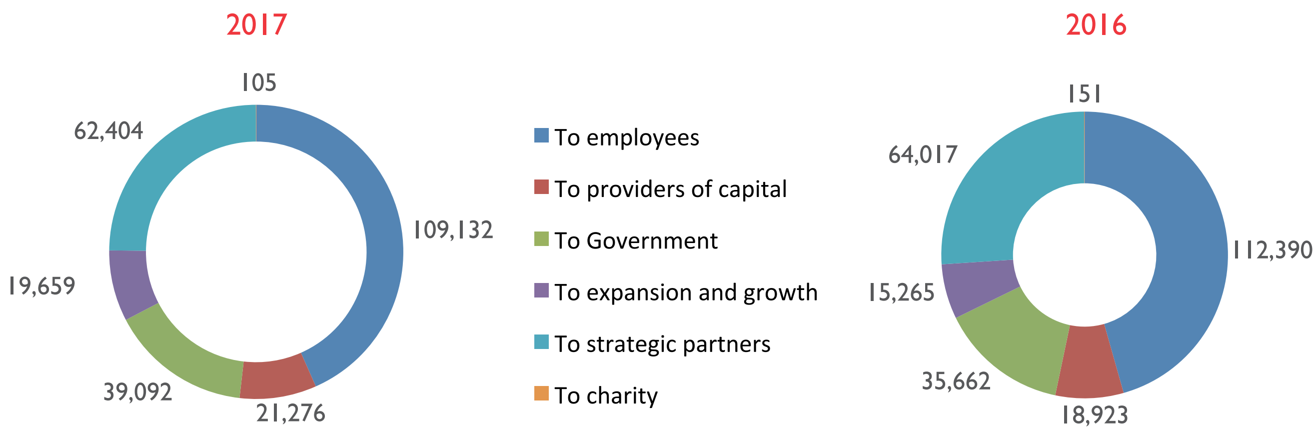
Notwithstanding a watered down trading environment, we remain steadfast in our strategic intent to push ahead with the deployment of integrated security solutions that aim to combine both technological and manned security as we seek to retain and expand our existing contracts. We continue to liberate resources and we will also continue to bolster our key relationships, investing in our customers through bundled technology offerings and re-aligning our mandatory risk assessments.

Our strategic objective plan continues to bear fruit and is currently playing out in driving the recovery of Electronic Security across all segments especially in the security solutions. We continue to undertake targeted project initiatives towards improving productivity as well as other cost efficiency programs. These include business process re-engineering aimed at augmenting our process flow management as we seek to prioritise direct customer feedback and strengthening of customer engagement.

Management's outlook on Group is positive; our strong market positions, commercial

Value Added Statement

Value added is the wealth the Company has been able to create by providing customers with quality value added products

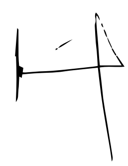


discipline, growing technology-enabled revenues, positive cash generation and on-going productivity programmes provide substantial confidence that the Group is well positioned to deliver strong performance over the next three years.

We will continue to focus on the following:

- Integrated sales approach.
- New products and services which will be solution based.
- Continued process re-engineering.
- Productivity and efficiency yields from continued re-organisation.

Value added statement represents the wealth the company has been able to generate through trading by providing customers with quality value added products, investment and its subsequent distribution to shareholders and retention to fund future growth opportunities. Group wealth created during the 2017 financial year amounted to P251.668million which is based on value chain economic value added considering value added tax remitted. Of this value, P21.276million is attributable to providers of capital who's share expanded by a double digit 12.4% with dividends alone growing by 13.8%. Government distributed grew by 9.4% owing to an increase in taxable profits which filtered through from both top-line growth and cost productivity gains driven by efficiency initiatives. To position the business take advantage of future growth opportunities, about P19.659 was retained to allow for future expansion projects, replacements of assets and development of operations.



Peter Hamilton Kgomotso
Finance Director

Building Lasting Legacies

Corporate Social Investments Report

Since 2013, G4S Africa has partnered with Bhubesi Pride, a development through sport initiative. G4S and Bhubesi Pride aim to unite children through rugby, addressing health, education and life skills; to empower local teaching staff, providing equipment, resources, training and knowledge; and to inspire sustainable development by developing young leaders and building relevant relationships.The partnership has touched the lives of more than 3 800 boys and girls from 60 schools in nine African countries (Botswana, Kenya, Malawi, Namibia, South Africa,Tanzania, Uganda, Zambia and Mozambique).

As the country geared up to celebrate its 50th anniversary, G4S Botswana was able to maximise the 'BOT50' celebrations together with Bhubesi Pride. In collaboration with The Botswana Rugby Union and three participating schools, namely Tshwaragano Primary, Rainbow Primary and Botlhale Primary, G4S and Bhubesi Pride worked with around 240 children during a week-long session in May. G4S was given the use of the Hogs RFC ground for the week's rugby coaching and life skills clinic.

G4S Legacy Project – Partnership with Tshwaragano Primary School Running parallel with the Bhubesi Pride Rugby Clinic, G4S Botswana initiated a Legacy Project with Tshwaragano Primary School in Old Naledi.The school continues to face numerous challenges such as inadequate ablutions facilities for the children and the lack of a safe, secure and conducive environment in which the students can learn. G4S Botswana continues to revisit the school on a yearly basis ensuring that there are continuous improvements to the children's facilities and learning environment.

Impacting lives

G4S remains the only security company to receive this accolade. Botswana is one of 13 countries in Africa where G4S was identified as Top Employer.

Once again, G4S Botswana was honoured to receive the award for Top Employer in Africa, this time around for the years 2017 - 2018. It is our firm belief that the company exists to serve, and offering employment to members of society is part of how we give back to the comunities that have supported us.

G4S has been certified as Top Employer for 2017/2018 and remains the only security company to receive this accolade. Botswana is one of 13 countries in Africa where G4S was identified as Top Employer.

Based on independent research by the Top Employers Institute, an autonomous body which assesses and benchmarks employers around the world, G4S has been named one of Africa's leading companies.

Headquartered in the Netherlands, the Top Employers Institute (previously known as the CRF Institute) has recognisedTop Employers around the world since 1991.The Institute's annual European, Asian and African Top Employer Indices measure how well participating companies are doing in attracting, retaining and developing staff in these territories.

The Top Employers Institute globally certifies excellence in the conditions that employers create for their people, basing their assessment on the following criteria: Primary Benefits, Secondary Benefits and Working Conditions, Training and Development, Career Development, and Culture Management. In each of these areas, G4S was measured against a large number of companies operating in Africa.

Only those companies that meet the stringent criteria are eligible to receive this prestigious certification. With a staff compliment of over 119 000 people in Africa, G4S is the largest private employer on the continent. The Company recognises the importance of solid people practices and strives to create a safe environment where employees feel valued and are given opportunities for personal growth.

The international recognition as a Top Employer Africa sends a strong message to G4S staff and all other stakeholders that the Company greatly values its people and that employee conditions are of the highest standard. G4S was especially commended for offering staff an engaging and safe working environment where employee contribution is valued. Emerging as a top employer for the year is very important and provides momentum for G4S Botswana to continue to shine as an employer of choice.


top EMPLOYER
AFRICA
2018
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS
top EMPLOYER
BOTSWANA
2018
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS
G4S Botswana

Occupational Health and Safe-

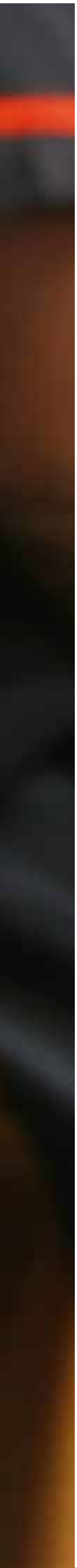
The safety and wellbeing of our employees and those in our care is one of our key priorities.

Our goal is zero harm. We believe that setting the highest standards for health and safety across our industry helps to keep our colleagues safe and builds loyalty and commitment to G4S from our employees. The Company strives to foster

a safe and healthy work environment, and has in place comprehensive and appropriate policies and resources to safeguard employee wellbeing. As an integral part of its commitment to the safety of its employees, the Company ensures accurate and timely reporting and follow up of any incidents to prevent recurrence.

G4S believes that occupational safety and health is important for moral, legal, and financial reasons and recognises that it has a duty of care to ensure that employees and any other persons who may be affected by the Company's activities remain safe at all times. By so doing, the Company not only ensures that it acts correctly towards all stakeholders, but also reduces employee injury and illness related costs.

Setting high standards for health and safety helps G4S Botswana to demonstrate commitment to its employees' wellbeing. These standards are the basis for good health and safety practices, and are an essential component of the superior quality of the Company's employment offering.



What sets us apart from our Competitors?

Anticipating and responding to the changing needs of a diverse client base:

Health and Safety

- We prioritise safety management as well as the health and well-being of our employees.

Training

- We continue to invest in the training and development of our employees at all levels so that they can reach their full potential.

Secure Solutions

- Risk services and consultancy
    - o We offer risk management consultancy services which include personal protection, training, mine detection and clearance services
- Security systems
    - o We offer comprehensive access control, video analytics, and security & building systems technology integration
- Monitoring and response
    - o Fast mobile security patrol and response ser vices
- Secure facilities services
    - o We offer an Integrated facilities services for entire sites or estates for commercial customers and governments
- Manned security services
    - o We offer trained and vetted security officers
- Cash Solutions
    - o We manage cash on behalf of financial institutions, including cash transportation; high security cash centres; counting and reconciling cash; fitness sorting of notes for use in ATMs; counterfeit detection and removal; redistribution of cash to bank branches,ATMs and retail customers; and cash transportation
- Cash 360
    - o With the introduction of Deposita devices we offer a unique system that safeguards, collects and processes cash notes within the retail environment.

G4S (Botswana) Limited

Group Annual Financial Statements

for the year ended 31 December 2017

CONTENTS

Statement of directors' responsibility

for the year ended 31 December 2017

The Group's directors are required by the Botswana Companies Act, Chapter 42:01 to maintain adequate accounting records and to prepare financial statements for each financial year, which show a true and fair view of the state of affairs of the Company and Group at the end of the financial year and of the results, and cash flows for the period.

In preparing the accompanying Company and Group financial statements, International Financial Reporting Standards have been followed; suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes in accounting policies are approved by the board of directors and effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure in line with the significant accounting policies of the Group noted on pages 53 to 59.

The directors have reviewed the Company and Group budget and forecast cash flow for the year to 31 December 2017. On the basis of this review, and in light of the current financial position, the directors are satisfied that G4S (Botswana) Limited is a going concern and have continued to adopt a going concern basis in preparing the financial statements.

The board recognises and acknowledges its responsibility for the Group's internal control system. The responsibility for operating these systems is delegated to the executive director and management, who have confirmed that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable assurance, as to the reliability of financial statements and that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal control system is monitored through management reviews, testing by internal auditors and the external auditors' review and testing of appropriate aspects of the internal control systems during the course of their statutory examination of the Company and Group.

The Group and Company's directors have considered the results of these reviews, none of which indicate that the systems of internal control were inappropriate or operated unsatisfactorily. Additionally, no breakdowns involving material loss have been reported to the directors in respect of the year under review.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing which include tests of transactions and selective test of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

Approval of consolidated annual financial statements and annual financial statements

The annual financial statements for the year ended 31 December 2017 and which appear on page 67 to 83 were authorised for issue by the Board of Directors on 30th April 2018 and signed on their behalf by:

Chairman

Managing Director

Independent Auditor's Report

To the members of G4S (Botswana) Limited

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of G4S (Botswana) Limited (the "Company") and its subsidiary (together the "Group") as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

What we have audited

G4S (Botswana) Limited's consolidated and separate financial statements set out on pages 49 to 83 comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

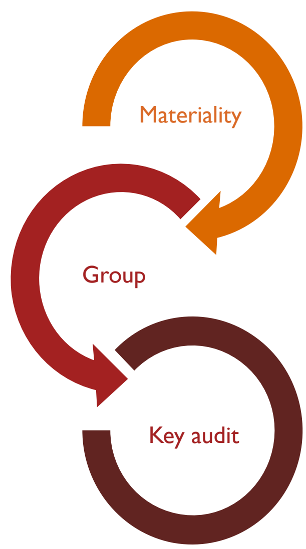
Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Botswana Institute of Chartered Accountants' Code of Ethics (the "BICA Code") and the ethical requirements that are relevant to our audit of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with these requirements and the BICA Code. The BICA Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B).



Overall group materiality

- BWP 2,011,000, which represents 5% of consolidated profit before tax

Group audit scope

- The Group consists of the Company and one operating subsidiary. Full scope audits were performed on both these companies.

Key audit matters

- Impairment of goodwill

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated

Independent Auditor's Report *(continued)*

To the members of G4S (Botswana) Limited

Overall group materiality	*BWP 2,011,000*
How we determined it	*5% of consolidated profit before tax*
Rationale for the materiality benchmark applied	*We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5%, which is consistent with quantitative materiality thresholds used for profit- oriented companies in this sector.*

financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. In doing so, full scope audits were performed by the group team on the Company, G4S (Botswana) Limited, and its operating subsidiary, G4S Facilities Management Botswana (Proprietary) Limited, as these could individually or in aggregate have a material impact on the consolidated financial statements.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill As required by IFRSs, the Group and Company perform impairment assessments of goodwill at least annually or whenever there is an impairment indicator. This was considered a matter of most significance in our audit due to the magnitude of the carrying value of the goodwill balances (P18,066,102 in the consolidated financial statements and P9,715,123 in the separate financial statements, as at 31 December 2017) and because the Group's and Company's assessments of 'value in use' of the cash generating units ("CGUs") involve significant judgement about the future cash flows of the businesses and with respect to the discount rates applied to present value those cash flow forecasts. Goodwill arose in previous financial periods when the Company assumed control over a manned security business and as a result of the acquisition of the subsidiary, G4S Facilities Management Botswana (Pty) Ltd. The Group and Company determined the CGUs attributable to goodwill to be the relevant businesses which generate separately identifiable cash flows.	*Our audit work included the following procedures:* • We tested the reliability of budgets and medium-term forecasts by comparing the actual results against the historical budgets and forecasts. Our procedures indicated that actual outcomes were within a reasonable range of historical budgets and forecasts. • We tested whether the budgets utilised in support of the recovery of goodwill were approved by those charged with governance, were consistent with approved business plans and were consistent with our understanding of the economic developments in Botswana, as these may impact on the budgets and forecasts. We found no exceptions in performing these procedures. • We compared the discounted cash flow models used by the Group and Company with the requirements of IFRS and models typically used for impairment testing and found them to be consistent with our expectations. • We tested the mathematical accuracy of the discounted cash flow models utilised by the Group and Company, and found these to be mathematically accurate. We tested the projected long-term growth rates subsequent to the budget and medium-term forecast periods by understanding the basis for these projections and by comparing these to

Independent Auditor's Report *(continued)*

To the members of G4S (Botswana) Limited

Key audit matter	How our audit addressed the key audit matter
The Group and Company determine the recoverable amount of each CGU at the higher of fair value less cost of disposal and value in use of the relevant CGU. The recoverable amounts were determined based on value in use, by using a discounted cash flow model. In carrying out the assessments, for the purposes of cash flow forecasts, the Group and Company project future cash flows based on an approved budget for the ensuing financial year, medium-term business plans for two years following thereafter and a long-term growth rate for future periods. Based on calculations carried out by the Group and Company, there was sufficient headroom between the carrying values of net assets (including goodwill) and the calculated net present values of the CGUs. On this basis, the Group and Company did not recognise any goodwill impairment. The disclosure associated with goodwill impairment assessment is set out in the consolidated and separate financial statements in the following notes: • Critical accounting estimates and judgements, Impairment of goodwill (Page 66); and • Note 10 Goodwill (page 72)	historical trends and economic forecasts used in preparing these budgets. We also formed independent views of a range of likely budget and forecast outcomes based on actual results for the 2017 financial year and by using growth rates of 2% per annum for future periods. We found that such changes to the cash flow inputs - using the discount rates determined by the Group and Company - did not result in any required impairment charges. We tested the reasonableness of the Group's and Company's discount rate assumptions by independently calculating the discount rates, taking into account independent data such as the cost of debt, risk-free rates in the market, the beta of comparable companies and market risk premiums, industry factors and other inputs typically used in determining discount rates. We found the inputs and assumptions to be consistent with our expectations. We performed independent sensitivity calculations on the impairment assessments to determine the degree by which the key assumptions needed to change in order to trigger an impairment. We discussed these with management of the Group and Company and, based on the evidence obtained, found the key assumptions applied in the models to be reasonable.

Other information

The directors are responsible for the other information. The other information comprises the information included in the G4S (Botswana) Limited Annual financial statements for the year ended 31 December 2017 , which includes the Statement of Directors' Responsibility, which we obtained prior to the date of this auditor's report, and the other sections of the G4S (Botswana) Limited 2017 Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are

Independent Auditor's Report *(continued)*

To the members of G4S (Botswana) Limited

responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Practising member: Rudi Binedell
Membership number: 20040091

7 July 2018
Gaborone

Statements of comprehensive income

for the year ended 31 December 2017

		GROUP		COMPANY	
		2017	2016	2017	2016
	Notes	Pula	Pula	Pula	Pula
Revenue	1	218 464 826	213 836 638	199 247 622	194 900 514
Cost of sales of goods		(5 690 631)	(5 209 284)	(5 110 114)	(4 825 710)
Cost of providing services		(127 567 263)	(135 331 506)	(114 888 928)	(120 301 340)
Gross profit		85 206 932	73 295 848	79 248 580	69 773 464
Administrative expenses		(48 395 846)	(44 678 198)	(45 905 037)	(42 041 879)
Other income	2	351 572	268 615	387 572	830 046
Profit from operations	2	37 162 658	28 886 265	33 731 115	28 561 631
Finance Income	5	3 061 685	3 171 801	3 061 663	3 171 735
Finance expense	4	(952)	(28 613)	(952)	(28 613)
Profit before taxation		40 223 391	32 029 453	36 791 826	31 704 753
Income tax Expense	6	(8 981 705)	(6 502 669)	(8 216 734)	(6 394 441)
Profit for the year		31 241 686	25 526 784	28 575 092	25 310 312
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		31 241 686	25 526 784	28 575 092	25 310 312
Profit attributable to:					
Owners of the parent company		30 481 707	25 306 481	28 575 092	25 310 312
Non-controlling interests		759 979	220 303	-	-
Earnings per share from continuing operations attributable to the ordinary equity holders of the company					
Basic and diluted earnings per share (thebe)	7	38.10	31.63	35.72	31.64

Statements of financial position

for the year ended 31 December 2017

		GROUP		COMPANY	
		2017	2016	2017	2016
	Notes	Pula	Pula	Pula	Pula
Assets					
Non-current Assets					
Plant and equipment	9	14 294 461	19 339 643	13 716 666	18 421 783
Goodwill	10	18 066 102	18 066 102	9 715 123	9 715 123
Deferred tax Assets	17	1 240 909	1 090 918	1 205 334	1 078 581
Investment in subsidiary	11	-	-	7 444 017	7 444 017
		33 601 472	38 496 663	32 081 140	36 659 504
Current Assets					
Inventories	12	3 945 128	4 247 779	3 120 855	3 985 795
Trade and other receivables	13	26 495 321	24 460 034	21 316 020	21 432 020
Amount due from related companies	14	45 153 708	42 040 894	47 572 965	43 217 544
Taxation refundable		-	2 550 387	-	2 334 553
Cash and cash equivalents	15	27 784 555	9 113 113	25 076 211	8 151 109
		103 378 712	82 412 207	97 086 051	79 121 021
Total assets		**136 980 184**	**120 908 870**	**129 167 191**	**115 780 525**
Equity & liabilities					
Equity					
Stated capital	16	1 804 557	1 804 557	1 804 557	1 804 557
Dividend reserve		9 600 000	7 872 000	9 600 000	7 872 000
Retained earnings		87 835 506	76 657 799	84 309 144	75 038 052
Capital & reserves		99 240 063	86 334 356	95 713 701	84 714 609
Non-controlling interest		1 716 534	956 555	-	-
Total equity		**100 956 597**	**87 290 911**	**95 713 701**	**84 714 609**
Non-current liabilities					
Deferred operating lease obligations	24	1 743 788	1 827 149	1 743 788	1 827 149
		1 743 788	1 827 149	1 743 788	1 827 149
Current liabilities					
Trade and other payables	18	28 564 034	29 658 728	26 423 540	27 106 685
Current tax payable		1 924 307	-	1 494 704	-
Amounts due to related companies	19	3 791 458	2 132 082	3 791 458	2 132 082
		34 279 799	31 790 810	31 709 702	29 238 767
Total equity and liabilities		**136 980 184**	**120 908 870**	**129 167 191**	**115 780 525**

Statements of changes in equity

for the year ended 31 December 2017

GROUP

	Stated Capital	Dividend Reserve	Retained Earnings	Total	Non controlling interests	Total Equity
	Pula	Pula	Pula	Pula	Pula	Pula
Balance at 01 January 2016	**1 804 557**	**8 698 000**	**68 311 318**	**78 813 875**	**963 584**	**79 777 459**
Profit for the period	-	-	25 306 481	25 306 481	220 303	25 526 784
Dividends paid	-	(8 698 000)	(9 088 000)	(17 786 000)	(227 332)	(18 013 332)
Dividends declared	-	7 872 000	(7 872 000)	-	-	-
Balance at 31 December 2016	**1 804 557**	**7 872 000**	**76 657 799**	**86 334 356**	**956 555**	**87 290 911**
Profit for the period	-	-	30 481 707	30 481 707	759 979	31 241 686
Dividends paid	-	(7 872 000)	(9 704 000)	(17 576 000)	-	(17 576 000)
Dividends declared		9 600 000	(9 600 000)	-	-	-
Balance at 31 December 2017	**1 804 557**	**9 600 000**	**87 835 506**	**99 240 063**	**1 716 534**	**100 956 597**

COMPANY

	Stated Capital	Dividend Reserve	Retained earnings	Total
	Pula	Pula	Pula	Pula
Balance at 01 January 2016	**1 804 557**	**8 698 000**	**66 687 740**	**77 190 296**
Profit for year	-	-	25 310 312	25 310 312
Other comprehensive income	-	-	-	-
Transactions with owners in their capacity as owners				
Dividends paid	-	(8 698 000)	(9 088 000)	(17 786 000)
Dividends declared	-	7 872 000	(7 872 000)	-
Balance at 31 December 2016	**1 804 557**	**7 872 000**	**75 038 052**	**84 714 609**
Profit for the year	-	-	28 575 092	28 575 092
Total comprehensive income	-	-	-	-
Dividends paid	-	(7 872 000)	(9 704 000)	(17 576 000)
Dividends declared	-	9 600 000	(9 600 000)	-
Balance at 31 December 2017	**1 804 557**	**9 600 000**	**84 309 144**	**95 713 701**

Statements of cash flows

for the year ended 31 December 2017

		GROUP		COMPANY	
		2017	2016	2017	2016
	Notes	Pula	Pula	Pula	Pula
Cash flows from operating activities	22	43 746 191	38 301 075	41 832 010	37 272 239
Finance expense		952	28 613	952	28 613
Taxation paid	20	(4 657 002)	(10 295 987)	(4 514 230)	(9 899 623)
Net cash flows generated from operating activities		**39 090 141**	**28 033 701**	**37 318 732**	**27 401 229**
Cash flows from investing activities					
Interest received		27 918	16 161	27 896	16 097
Loans drawn from/deposited with related parties		-	1 000 000	-	1 000 000
Acquisition of plant and equipment	9	(3 275 495)	(9 906 307)	(3 250 404)	(9 459 430)
Proceeds on disposal of plant and equipment		405 830	264 008	405 830	263 655
Net cash utilised in investing activities		(2 841 747)	(8 626 138)	(2 816 678)	(8 179 678)
Cash flows from financing activities					
Finance expense	4	(952)	(28 613)	(952)	(28 613)
Dividend paid	21	(17 576 000)	(18 013 332)	(17 576 000)	(17 786 000)
Net cash utilised in financing activities		(17 576 952)	(18 041 945)	(17 576 952)	(17 814 613)
Movement in cash and cash equivalents		18 671 442	1 365 618	16 925 102	1 406 938
Cash and cash equivalents at beginning of the year	15	9 113 113	7 747 495	8 151 109	6 744 171
Cash and cash equivalents at end of year	15	27 784 555	9 113 113	25 076 211	8 151 109

Summary of significant accounting policies

for the year ended 31 December 2017

General Information

G4S (Botswana) Limited is a public limited company registered under the Companies Act, Chapter 42:01 of Botswana and domiciled in Botswana. G4S (Botswana) Limited is listed on the Botswana Stock Exchange and primarily operates in Botswana.

These financial statements represent its statutory financial statements. The consolidated financial statements of the company comprise the company and its subsidiary (together referred to as the 'Group').

Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, and are unchanged from those applied in previous periods, unless noted otherwise. These financial statements have been approved by the board of directors on 30th April 2018.

Basis Of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, as modified by the valuation of certain financial assets and financial liabilities at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements are disclosed in the "Critical accounting estimates and judgements" section of the financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group annual financial statements incorporate the results and financial position of company and its sole subsidiary. The results of the subsidiary are included from the effective dates of gaining control and up to the date of relinquishing control.

Intercompany transactions, balances and unrealised gains on transactions between the company and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary are consistent with the policies adopted by the Group.

Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Botswana Pula currency units which is G4S (Botswana) Ltd.'s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or administrative expenses.

Both Group and company utilise the Botswana Pula as the functional currency.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the Group's main types of revenue are explained below:

i. **Sale of goods**

   Timing of recognition: The Group operates a technical department that provides installation of intruder and fire alarm equipment, CCTV and access control. Revenue from sale of goods is recognised when the Group entity delivers the equipment to the customer.

Summary of significant accounting policies *(continued)*

for the year ended 31 December 2017

The Group also operates a asset-in-transit and cleaning businesses that provide services which require use of other goods e.g., CIT bags, seals and cleaning material. Revenue from sale of such goods is recognised when the Group entity delivers the consumables to the customer.

Measurement of revenue: It is Group's policy to sell its products to the end customer. The revenue on goods is based on cost plus mark up.

ii. Revenue from rendering of services

Timing of recognition: The Group provides the following services; Cash in transit, intruder and fire alarm monitoring, guarding services, facilities management and cleaning services. Revenue from all services is recognised in the accounting period in which the services are rendered.

Measurement of revenue: The revenue is measured at the amount receivable under the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Minimum lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability.

Finance expenses are recognised in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period. Rentals payable under operating leases are recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Lease income from operating leases where the Group is a lessor is recognized in income on straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

Dividends

Dividend income

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Dividend liability

Accrual is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Dividend reserve

Where dividends are declared by the Board of Directors subsequent to the financial year-end, but before approval of the financial statements, the value of such declaration is transferred from retained earnings to dividend reserve in the Statement of Changes in Equity.

Plant And Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

- Leasehold improvements
  5 - 15 years
- Furniture, fittings and equipment
  5 - 10 years
- Motor vehicles and accessories
  5 years
- Radio and alarm equipment
  2 - 10 years

The residual values of plant and equipment items, if not insignificant, are reassessed annually. The useful lives and depreciation methods are also reassessed annually and adjusted if appropriate.

Repairs and maintenance costs are recognised in profit or loss during the financial year in which these costs are incurred. Gains and losses on disposal of plant and equipment, which arise in the normal course of business, are determined by comparing the proceeds with the carrying amounts and are included in profit or loss.

Intangible Assets

Goodwill

Goodwill represents amounts arising on acquisition of a business. The goodwill consists of the difference between the fair value of the consideration transferred to acquire the business and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses.

Goodwill is allocated to the individual cash-generating units and is tested annually

Summary of significant accounting policies *(continued)*

for the year ended 31 December 2017

for impairment. An impairment loss is recognised if the present value of the estimated future cash flows arising from the identified units is exceeded by the carrying amount of goodwill. An impairment loss is recognised in profit or loss in the year in which it is identified. An impairment loss in respect of goodwill is not reversed.

Financial Assets

Classification

The Group classifies all its financial assets as loans and receivables.

Recognition

The Group initially recognises financial assets and liabilities on the date that they are originated or on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment (in the case of assets).

Financial Liabilities

The Group only has financial liabilities that are classified as 'financial liabilities at amortised cost', which excludes VAT and employee related accruals. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of the financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of the impairment loss is recognised in profit or loss.

Non-financial assets

The carrying values of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation and amortisation, if no impairment was recognised.

Inventories

Raw materials and stores, which include uniforms, work in progress and finished goods, are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the

Summary of significant accounting policies *(continued)*

for the year ended 31 December 2017

sale. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

Trade Receivables

Trade receivables are amounts due from customers for goods provided in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired.

The amount of the impairment allowance of trade receivables is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount is recognised in profit or loss 'operating expenses'. The carrying amount of the asset is reduced through the use of an allowance account. When trade receivables are uncollectable, it is written off as 'operating expenses' in profit or loss. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in profit or loss.

Other receivables

Other receivables comprise deposits and other receivables which arise during the normal course of business. These are classified as loans and receivables and are initially measured at fair value plus incremental direct transaction costs, and are subsequently measured at their amortised cost using the effective interest method.

Cash And Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Stated Capital

Ordinary shares are classified as equity and stated at the fair value of the consideration received. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Amounts due from related parties and shareholders

TThe amounts due from related parties and shareholders are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses. Impairment losses are recognised in profit or loss when the collection of the full amount is no longer probable

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Income Tax

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the related taxation is also recognised in other comprehensive income or equity.

Current taxation is the expected taxation payable on the taxable income for the year using taxation rates enacted or substantively enacted at the reporting date after taking account of income and expenditure which is not subject to taxation and any adjustment to taxation for previous years.

Deferred taxation is provided on temporary differences. Temporary differences are

Summary of significant accounting policies *(continued)*

for the year ended 31 December 2017

differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using taxation rates enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

Employee Benefits

Pension obligations

The Group established a defined contribution pension scheme in July 2009, managed by Alexander Forbes Financial Services Botswana (Pty) Ltd, a privately administered pension insurance plan, for all citizen employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A gratuity scheme is in place for expatriate employees in terms of their employment contracts.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value. Contract staffs are paid terminal gratuities in accordance with their respective employment contract.

Other benefits

(i) Severance payments and gratuities
In terms of the Labour Law legislation, severance pay is due to employees who are not eligible for gratuities or with respect to whom no contributions are made to the pension scheme. Provision for severance and gratuity benefits are raised in the period in which they accrue.

(ii) Leave pay
The costs of paid leave is recognised as an expense as the employee render services that increases the entitlement or, in the case of non-accumulating absence, when absence occurs.

(iii) Medical aid
In terms of the employment contracts and the rules of relevant medical aid scheme, medical benefits are provided to employees. The Group subsidises a portion of medical aid contribution for certain employees. Contributions in relation to Group's obligations in respect of these benefits are charged against profit or loss in the period of payment.

There are no post-employment medical funding requirements.

Provisions and Accruals

Provisions and accruals are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Such amounts are raised as accruals unless the measurement thereof is subject to significant judgement. Provisions are not recognised for future operating losses.

Provisions and accruals are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) information for its ordinary shares. Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss after taxation attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Pula unless otherwise stated.

Summary of significant accounting policies *(continued)*

for the year ended 31 December 2017

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Finance expense and interest received

Interest received is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest received is recognised in profit or loss. Finance expense is recognised in profit or loss in the period in which these expenses are incurred using the effective interest rate method.

New standards and interpretations effective in the current financial year

The following standards and amendments have been effective in the current financial year:

Amendment to IAS 7: Cash flow statements - Statement of cash flows on disclosure initiative

In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment affects every entity preparing IFRS financial statements. However, the information required should be readily available. As the Group has no material debt, this amendment has had no material impact on the Group's financial statements.

Amendment to IAS 12: Income taxes - Recognition of deferred tax assets for unrealised losses.

The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets. The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets.

As the Group does not carry financial assets at fair value, this did not impact on the Group's financial statements in the current year.

New standards and interpretations not yet effective in the current financial year

The following standards and interpretations are effective on or after 01 January 2018 and not early adopted by the Group.

IFRS 9 – Financial Instruments (2009 &2010)

- Financial liabilities
- Derecognition of financial instruments
- Financial assets
- General hedge accounting

This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Group continues to improve its trade debtors' classification, monitoring and collection procedures in order to better comply with the requirements of this standard.

The impact on the Group of implementing this standard is still being quantified.

IFRS 15 – Revenue from contracts with customers.

The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.
As the sale of bundled products/services is not material to the Group, and it does not provide products/services over extended periods, it does not expect the impact of this standard to be significant.

The impact on the Group of implementing this standard is still being quantified.

IFRS 16: Leases

This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same.

Summary of significant accounting policies *(continued)*

for the year ended 31 December 2017

The Group expects to apply this standard prospectively with effect from the 2019 financial year. Given the prospective nature, the financial impact has not been determined, although it is anticipated that a number new lease agreements entered into after 1 January 2019 will result in the recognition of lease assets and liabilities, even where those have terms and requirements similar to existing operating leases.

Financial risk management

for the year ended 31 December 2017

Overview

The Group has exposure to foreign currency, liquidity and credit risk that arises in the normal course of business. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks and the Group's management of capital.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The board of directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The following table indicates the carrying value of financial instruments which approximate the fair values as they are subject to an insignificant change in value are recoverable within a short period of time.

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Financial assets				
Trade receivables	24 802 020	23 504 460	19 785 424	20 579 614
Other receivables	1 548 788	721 088	1 386 083	621 547
Amounts due from related parties	45 153 708	42 040 894	47 572 965	43 217 544
Cash and cash equivalents	27 784 555	9 113 113	25 076 211	8 151 109
Total financial assets	**99 289 071**	**75 379 555**	**93 820 683**	**72 569 814**
Financial liabilities				
Trade payables	9 966 482	9 583 480	9 452 126	8 854 872
Other payables and accruals	2 895 891	5 160 232	2 470 264	4 574 013
Amounts due to related parties	3 791 458	2 132 082	3 791 458	2 132 082
Total financial liabilities	**16 653 831**	**16 875 794**	**15 713 848**	**15 560 967**

Financial risk management *(continued)*

for the year ended 31 December 2017

Foreign currency risk

The Group is exposed to currency risk mainly the South Africa Rand (ZAR) and United States Dollar (USD) through its purchases from South Africa and India. The Group's total liabilities payable in ZAR at the reporting date were R636 537: P514 873 (2016: R3 740 934: P3 354 953) and payable in USD at the reporting date were USD 283 712: P 2 788 347(2016: USD Nil: P Nil).

	2017	2016
Year-end translation rate (ZAR / BWP)	1.2363	1.115048
Year-end translation rate (USD / BWP)	0.1017	-

A 10 percent strengthening of the Botswana Pula against the South African Rand at the reporting date would have increased the company's profit before taxation by P 46 807 (2016: P304 996). A 10 percent strengthening of the Botswana Pula against the United States Dollar at the reporting date would have increased the company's profit before taxation by P 278 835 (2016: P Nil). This analysis assumes that all other variables, in particular interest rates remain constant. A 10 percent weakening of the Botswana Pula against the South African Rand and United States Dollar at the reporting date would have had the equal but opposite effect on the company's profit before taxation, based on the assumption that all other variables, in particular interest rates remain constant.

	2017 Pula	2016 Pula
ZAR/BWP exchange rate – increase 10%	(46 807)	(304 996)
ZAR/BWP exchange rate – decrease 10%	46 807	304 996
USD/BWP exchange rate – increase 10%	(278 835)	-
USD/BWP exchange rate – decrease 10%	278 835	-

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, amounts due from related parties and its investments in cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure and is summarised as follows:

		GROUP		COMPANY	
		2017 Pula	2016 Pula	2017 Pula	2016 Pula
Trade receivables	Not rated	24 802 020	23 504 460	19 785 424	20 579 614
Other receivables	Not rated	1 548 788	721 088	1 386 083	621 547
Amounts due from related parties	Not rated	45 153 708	42 040 894	47 572 965	43 217 544
Cash and cash equivalents	Not rated	27 784 555	9 113 113	25 076 211	8 151 109
		99 289 071	75 379 555	93 820 683	72 569 814

Financial risk management *(continued)*

for the year ended 31 December 2017

Credit risk *(continued)*

The below table shows an age analysis of gross trade receivables at their carrying value respectively as at the balance sheet date:

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Fully performing	10 903 308	17 051 720	9 258 682	14 659 920
Past due not impaired	13 898 712	6 123 178	10 526 742	5 458 493
Impaired	11 725 547	4 610 204	10 986 082	4 304 553
TOTAL	36 527 567	27 785 102	30 771 506	24 422 966

The board of directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard terms and conditions are offered. The Group has no significant concentration of credit risk included in trade receivables with exposure spread over a large number of customers and counterparties. The Group however has a concentration risk in relation to the balance due from G4S Plc. of P44,658,650 (2016: P41 624 883). Geographically trade receivables are concentrated in Botswana. No impairment accrual was recognised in respect of balances receivable from related companies as these are payable on demand and covered through the Group treasury function.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component which relates to balances outstanding for more than 180 days since invoice date.

The credit risk on liquid funds is limited as the counterparties are reputable regulated international banks. No independent credit ratings are available for domestic banks. The Group however only transacts with banks that are reputable and affiliated to large well known global or regional banks.

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Fully performing	10 903 308	17 051 720	9 258 682	14 659 920
Past due 31- 90 days	9 317 105	3 627 519	7 125 200	3 188 242
Past due 91- 180 days	4 786 601	2 495 659	3 714 406	2 270 251
Past due more than 180 days	11 520 552	4 610 204	10 673 218	4 304 553
Total gross trade receivables	36 527 567	27 785 102	30 771 506	24 422 966
Less impairment on receivables:				
Impaired receivables	(13 324 485)	(4 794 319)	(12 484 184)	(4 304 554)
Vat on impaired receivables	1 598 938	513 677	1 498 102	461 202
	(11 725 547)	(4 280 642)	(10 986 082)	(3 843 352)
Net trade receivables	24 802 020	23 504 460	19 785 424	20 579 614

Financial risk management *(continued)*

for the year ended 31 December 2017

The impairment accrual consists of all impaired gross trade receivables net of value added tax (VAT) of 12% charged on the trade receivables. No impairment is recognised in terms of balances not exceeding 180 days from invoice date as these balances are deemed fully recoverable based on historic payment behaviour and detailed specific balance analysis.

Movement in impairment allowance:

	GROUP		COMPANY	
	2017 **Pula**	2016 **Pula**	2017 **Pula**	2016 **Pula**
At beginning of the year	4 280 642	3 563 942	3 843 352	3 370 707
Additional impairment recognised during the year	7 444 905	716 700	7 142 730	472 645
Balance at the end of year	11 725 547	4 280 642	10 986 082	3 843 352

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing its liquidity risk is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group utilises overdraft facilities and funds placed in call accounts as well as with G4S Plc to ensure that liquidity risk is managed appropriately. Management monitors rolling forecasts of the Group's liquidity reserve (comprising amounts due from G4S Plc) and cash and cash equivalents on the basis of expected cashflow. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group.

Financial risk management *(continued)*

for the year ended 31 December 2017

Liquidity risk *(continued)*

Maturities of financial liabilities

The maturity profile of non-derivative financial liabilities based on contractual maturities is disclosed in the table below as the contractual undiscounted cash flows. All balances are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

GROUP

2017	Contractual cash flows	Within 1 year
Trade payables	(9 966 482)	(9 966 482)
Amounts due to related parties	(3 791 458)	(3 791 458)
Other payables	(2 895 891)	(2 895 891)
	(16 653 831)	(16 653 831)

2016		
Trade payables	(9 583 480)	(9 583 480)
Amounts due to related parties	(2 132 082)	(2 132 082)
Other payables	(5 160 232)	(5 160 232)
	(16 875 794)	(16 875 794)

COMPANY

2017		
Trade payables	(9 452 126)	(9 452 126)
Amounts due to related parties	(3 791 458)	(3 791 458)
Other payables	(2 470 264)	(2 470 264)
	(15 713 848)	(15 713 848)

2016		
Trade payables	(8 854 872)	(8 854 872)
Amounts due to related parties	(2 132 082)	(2 132 082)
Other payables	(4 574 013)	(4 574 013)
	(15 560 967)	(15 560 967)

Financial risk management *(continued)*

for the year ended 31 December 2017

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of long term borrowings, bank overdrafts and equity attributable to equity holders of the parent. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios at 31 December 2017 and 31 December 2016 were as follows;

	GROUP		COMPANY	
	2017 **Pula**	2016 **Pula**	2017 **Pula**	2016 **Pula**
Total borrowings	-	-	-	-
Less: Cash and cash equivalents (note 15)	(27 784 555)	(9 113 113)	(25 076 211)	(8 151 109)
Net Debt	(27 784 555)	(9 113 113)	(25 076 211)	(8 151 109)
Total equity	100 956 597	87 290 911	95 713 701	84 714 609
Total capital	100 956 597	78 177 798	95 713 701	76 563 500
Gearing ratio	-	-	-	-

Critical accounting estimates and judgements

for the year ended 31 December 2017

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Income taxes

Significant judgement is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate taxes determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted. Refer to notes 6 and 17 regarding judgements made on the computation and recognition of income and deferred taxation.

Useful life and residual values of plant and equipment

Plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of goodwill

The Group tests annually whether goodwill (as disclosed in note 10) has suffered any impairment, in accordance with accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined by the Directors based on forecast pre-tax free cash flows of each cash-generating unit. These calculations require the use of estimates, the most significant of which are assumptions of growth rate and discount rates (refer note 10).

The impairment calculations performed by the Group at the current year-end indicate significant headroom between the value in use attributed to cash generating units and the carrying value of the goodwill allocated to such units

Impairment of assets

The Group follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, the latter being the higher of fair value less cost to sell and the value in use.

Allowance for doubtful debts is created where the customer has not paid an invoice for a period over six months from the date of invoice or where a customer has significant financial difficulties. The Group estimates that under these conditions, the debtor will highly likely not pay the invoice. An estimate is made with regards to the probability of debtors who will not be able to pay.

Notes to the annual financial statements

for the year ended 31 December 2017

	GROUP 2017 Pula	GROUP 2016 Pula	COMPANY 2017 Pula	COMPANY 2016 Pula
1. Revenue				
Sale of goods	9 334 142	10 650 123	9 334 142	10 266 548
Rendering of services	209 130 684	203 186 515	189 913 480	184 633 966
	218 464 826	213 836 638	199 247 622	194 900 514
2. Profit from operations				
Profit from operations is arrived at after taking into account the following:				
Other income				
(Loss)/Profit on disposal plant and equipment	(193 803)	244 521	(193 803)	244 521
Foreign exchange loss	(210 155)	(226 945)	(210 155)	(226 945)
Insurance claims received	446 686	-	446 686	-
Other income	308 844	251 039	344 844	812 470
	351 572	**268 615**	**387 572**	**830 046**
Expenditure				
Auditors Remuneration				
Audit Fee - For Audit Services	886 558	649 042	776 558	565 829
Other Services	163 820	109 950	163 820	76 080
Depreciation (Note 9)	7 721 044	6 698 628	7 355 888	6 288 934
Operating leases - motor vehicles	4 549 307	4 263 182	4 309 761	4 191 655
Rent for Premises	3 658 667	4 634 224	3 024 097	3 877 714
Office repairs and maintenance	88 040	41 459	88 040	41 409
Royalties related party	1 971 956	1 962 864	1 971 956	1 962 864
Inventories expensed (Note 12)	10 546 338	10 226 404	9 691 180	8 176 310
Motor vehicle Expenses	9 636 162	12 491 105	9 323 603	12 019 065
Communication Costs	3 976 493	3 199 072	3 919 038	3 144 599
Office Expenses	2 243 396	2 278 266	2 283 910	2 262 004
Bad Debt Expense	7 444 905	716 700	7 142 730	472 645
Insurance	2 439 090	2 541 255	2 352 064	2 459 468
Bank Charges	862 889	856 034	792 487	846 856
Licence Fees	1 352 523	2 392 966	1 318 190	2 371 670
Property Costs	963 029	691 559	963 029	691 559
Legal Fees	761 930	405 128	761 930	405 128
Utilities	817 594	481 659	817 594	474 700
Consultancy Fees	253 144	78 095	182 741	68 917
Secretarial Fees	441 525	336 490	441 525	336 490
Goods Transportation Costs	642 321	314 185	642 321	314 185
Penalties and Fines	802 093	382 429	490 049	382 429
Other expenses	9 545 338	16 027 780	9 236 508	15 387 012
Total expenditure	71 768 162	71 778 476	68 049 019	66 817 522
Staff Costs				
Gross salaries and wages	102 455 914	105 162 161	92 053 891	94 123 496
Contributions to defined contribution plan	2 939 038	2 956 604	2 898 254	2 916 798
Other payroll related costs	4 526 626	5 321 747	2 902 915	3 311 113
	109 921 578	113 440 512	97 855 060	100 351 407
	181 689 740	**185 218 988**	**165 904 079**	**167 168 929**
Number of employees	2 732	3 300	2 246	2 547

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

		GROUP		COMPANY	
		2017 Pula	2016 Pula	2017 Pula	2016 Pula
3.	**Directors 'emoluments**				
	Directors 'emoluments included in administrative expenses are analysed as follows:				
	Non-executive directors fees	216,000	148,500	216,000	148,500
	Executive directors remuneration for management services	4 110 189	2 704 506	4 110 189	2 704 506
		4,326,189	2,853,006	4,326,189	2,853,006
4.	**Finance Expense**				
	Finance costs (interest paid)	952	28 613	952	28 613
5.	**Income from investments**				
	Interest received - banks	27 918	16 161	27 895	16 097
	Interest received -related party	3 033 767	3 155 640	3 033 767	3 155 638
		3 061 685	3 171 801	3 061 663	3 171 735
6.	**Taxation**				
	Taxation charge for the year:				
	Normal company taxation:				
	Basic taxation	9 131 696	7 143 146	8 343 487	6 925 188
	Deferred taxation -current year movement	(149 991)	(640 477)	(126 753)	(530 747)
	Taxation per profit or loss	8 981 705	6 502 669	8 216 734	6 394 441
	Taxation reconciliation:				
	Profit before taxation	40 223 391	32 029 453	36 791 826	31 704 753
	taxation at the statutory rate of 22% on the profit before taxation	8 849 146	7 046 480	8 094 202	6 975 046
	Previously unrecognised deferred tax	-	(539 397)	-	(447 447)
	Expenses not allowable for tax purposes	132 558	121 108	122 532	121 108
	Items allowable for tax purpose	-	(125 522)	-	(254 266)
	Income tax expense	**8 981 705**	**6 502 669**	**8 216 734**	**6 394 441**

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

7. Earnings per share

The calculation of basic earnings per share at the reporting date was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
Weighted average number of shares				
Issued ordinary shares at 1 January/31 December	80 000 000	80 000 000	80 000 000	80 000 000
Weighted average number of ordinary shares				
For the year ended 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Earnings per share calculation				
Profit for the year attributable to the owners				
of the parent company (Pula)	30 481 707	25 306 481	28 575 092	25 310 312
Weighted average number of ordinary shares				
at 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Earnings per share (thebe)	38.10	31.63	35.72	31.64

8. Dividends per share

	GROUP		COMPANY	
	2017	2016	2017	2016
Interim dividend for the current financial year				
(declared and paid in the current year)				
Normal - Paid 12.13 thebe gross of tax				
(2016: 11.36 thebe gross of tax) (Pula)	9 704 000	9 088 000	9 704 000	9 088 000
Final dividend for the preceeding financial year				
(declared and paid in the current year)				
Proposed 9.84 thebe gross of tax				
(2016: 10.87 thebe gross of tax) (Pula)	7 872 000	8 698 000	7 872 000	8 698 000
	17 576 000	17 786 000	17 576 000	17 786 000
Issued shares at 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Dividend per share (thebe) - gross of tax	21.97	22.23	21.97	22.23

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

9. Plant and equipment

GROUP	Furniture fittings & equipment Pula	Leasehold improve-ments Pula	Motor Vehicles Pula	Radio & alarm Equipment Pula	Total Pula
At 01 January 2016					
Cost	13 949 941	4 476 655	32 732 515	30 473 871	81 632 982
Accumulated depreciation	(13 364 491)	(1 436 928)	(25 891 574)	(24 788 538)	(65 481 531)
Net book amount	585 450	3 039 727	6 840 941	5 685 333	16 151 451
Year ended 31 December 2016					
Opening net book amount	585 450	3 039 727	6 840 941	5 685 333	16 151 451
Additions	459 645	47 380	5 294 003	4 105 279	9 906 307
Disposals	-	-	(19 487)	-	(19 487)
Depreciation charge	(297 089)	(486 682)	(3 043 332)	(2 871 525)	(6 698 628)
Closing net book amount	**748 006**	**2 600 425**	**9 072 125**	**6 919 087**	**19 339 643**
At 31 December 2016					
Cost	14 409 586	4 524 035	38 007 031	34 579 150	91 519 802
Accumulated depreciation	(13 661 580)	(1 923 610)	(28 934 906)	(27 660 063)	(72 180 159)
Net book amount	**748 006**	**2 600 425**	**9 072 125**	**6 919 087**	**19 339 643**
Year ended 31 December 2017					
Opening net book amount	748 006	2 600 425	9 072 125	6 919 087	19 339 643
Additions	-	-	1 546 370	1 729 125	3 275 495
Disposals	-	-	(252 156)	(347 477)	(599 633)
Depreciation charge	(249 210)	(489 883)	(3 250 787)	(3 731 164)	(7 721 044)
Closing net book amount	**498 796**	**2 110 542**	**7 115 552**	**4 569 571**	**14 294 461**
At 31 December 2017					
Cost	14 409 586	4 524 035	38 066 813	35 960 798	92 961 232
Accumulated depreciation	(13 910 790)	(2 413 493)	(30 951 261)	(31 391 227)	(78 666 771)
Net book amount	**498 796**	**2 110 542**	**7 115 552**	**4 569 571**	**14 294 461**

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

9. Plant and equipment

COMPANY	Furniture fittings & equipment Pula	Leasehold improve-ments Pula	Motor Vehicles Pula	Radio & alarm Equipment Pula	Total Pula
At 01 January 2016					
Cost	11 688 347	4 476 655	29 824 522	29 418 791	75 408 315
Accumulated depreciation	(11 107 194)	(1 436 928)	(23 190 337)	(24 403 433)	(60 137 892)
Net book amount	**581 153**	**3 039 727**	**6 634 185**	**5 015 358**	**15 270 423**
Year ended 31 December 2016					
Opening net book amount	581 153	3 039 727	6 634 185	5 015 358	15 270 423
Additions	446 031	47 380	5 294 003	3 672 016	9 459 430
Disposals	-	-	(19 136)	-	(19 136)
Depreciation charge	(290 532)	(486 682)	(2 994 756)	(2 516 964)	(6 288 934)
Closing net book amount	**736 652**	**2 600 425**	**8 914 296**	**6 170 410**	**18 421 783**
At 31 December 2016					
Cost	12 134 378	4 524 035	35 099 389	33 090 807	84 848 609
Accumulated depreciation	(11 397 726)	(1 923 610)	(26 185 093)	(26 920 397)	(66 426 826)
Net book amount	**736 652**	**2 600 425**	**8 914 296**	**6 170 410**	**18 421 783**
Year ended 31 December 2017					
Opening net book amount	736 652	2 600 425	8 914 296	6 170 410	18 421 783
Additions	-	-	1 546 370	1 704 034	3 250 404
Disposals	-	-	(252 156)	(347 477)	(599 633)
Depreciation charge	(248 937)	(489 883)	(3 201 117)	(3 415 951)	(7 355 888)
Closing net book amount	**487 715**	**2 110 542**	**7 007 393**	**4 111 016**	**13 716 666**
At 31 December 2017					
Cost	12 134 378	4 524 035	35 324 027	34 447 364	86 429 803
Accumulated depreciation	(11 646 663)	(2 413 493)	(28 316 634)	(30 336 348)	(72 713 138)
Net book amount	**487 715**	**2 110 542**	**7 007 393**	**4 111 016**	**13 716 666**

No items of plant and equipment have been impaired at the year-end

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

10. Goodwill

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
At the beginning of the year	18 066 102	18 066 102	9 715 123	9 715 123
Closing net book amount	**18 066 102**	**18 066 102**	**9 715 123**	**9 715 123**

Goodwill is not amotised but is tested for impairement annually and more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumilated impairement losses.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Impairment test of goodwill

For the purpose of impairment testing, goodwill is attached to the following:

Manned Security	9 715 123	9 715 123	9 715 123	9 715 123
G4S Facilities Management Botswana (Pty) Ltd	8 350 979	8 350 979	-	-
	18 066 102	**18 066 102**	**9 715 123**	**9 715 123**

The Group did not identify any impairment for either the Manned Security division and for its subsidiary G4S Facilities Management Botswana (Pty) Ltd (which houses the cleaning services segment) as CGUs of the business.

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on most recent financial budgets approved by the directors covering a 1- year period together with medium term business plan prepared by management which cover an additional two financial years. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the country in which the CGU operates.

Key assumptions used in the calculation of recoverable amounts, discount rates and gross profit growth rates, are as follows:

	2017		2016	
GROUP	Manned Security	G4S Facilities Management	Manned Security	G4S Facilities Management
Discount rate	15.65%	15.65%	12.20%	12.20%
Long term growth rate	2.5%	2.5%	3.5%	3.5%

	2017	2016
COMPANY	Manned Security	G4S Facilities Management
Discount rate	15.65%	12.20%
Long term growth rate	2.5%	3.5%

The value-in-use calculations are most sensitive to inputs of budget and planned cash flows, discount rate and long-term growth rate. The table below shows the values at which each of these key inputs and assumption would have to be set, which would result in goodwill being impaired (whilst holding all other inputs and assumptions at the original values utilised).

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

10. Goodwill *(continued)*

GROUP 2017	Manned Security	G4S Facilities Management
Discount rate	22.1%	32.4%
Long term growth rate	(7.4%)	(27.8%)
Budgeted cash flow	70.7%	39.6%

COMPANY 2017	2017 Manned Security
Discount rate	22.1%
Long term growth rate	(7.4%)
Budgeted cash flow	70.7%

The group and company do not believe that any of these values at which impairment would have been indicated are reasonably likely to occur.

11. Investment in subsidiary

COMPANY	2017 Pula	2016 Pula
Opening balance	7 444 017	7 444 017
Closing balance	7 444 017	7 444 017

Details of the subsidiary are as follows:

Name of company	Effective Interest	Equity (No of Shares)	Principal Activities
G4S Facilities Management Botswana (Pty) Ltd	72%	305	Industrial and commercial cleaning services

Subsidiary

The company has one subsidiary, G4S Facilities Management Botswana (Pty) Limited, that is material to the Group in 2017 and 2016. The company holds majority of voting rights in the subsidiary (72%).

The following subsidiary has material NCI:

		Ownership interest held by NCI	
Name	Nature of Business	2017	2016
G4S Facilities Management Botswana (Pty) Limited	Cleaning and Facilities Services	28%	28%

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

11. Investment in subsidiary *(continued)*

The following is the summarised financial information for G4S Facilities Management Botswana (Pty) Ltd, prepared in accordance with IFRS and the Group's accounting policies. The information is before intercompany eliminations with G4S (Botswana) Limited.

	2017 Pula	2016 Pula
Summarised balance sheet		
Current assets	8 711 921	4 480 832
Current liabilities	(4 989 359)	(3 741 695)
Current net assets	3 722 561	739 137
Non-current assets	577 795	930 196
Non-current liabilities	35 574	-
Non-current net assets	**613 369**	**930 196**
Net assets	**4 335 930**	**1 669 333**
Summarised statement of comprehensive income		
Revenue	19 901 472	19 690 219
Profit for the period	2 666 595	786 796
Total comprehensive income	2 666 595	786 796
Profit attributable to NCI	759 979	220 303
Dividends paid to NCI	-	227 332
Summarised cash flows		
Cash flows from operating activities	1 771 409	1 203 148
Cash flows from investing activities	(25 068)	(446 811)
Cash flows from financing activities	-	(797 658
Movement in cash and cash equivalents	**1 746 341**	**(41 321)**

12. Inventories

	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Security alarms, fire alarms and equipment	1 738 560	2 139 456	1 738 560	2 139 456
Consumables	410 092	1 946 287	410 092	1 684 303
Other inventory	1 796 476	162 036	972 203	162 036
	3 945 128	**4 247 779**	**3 120 855**	**3 985 795**
Amount of inventories recognised as an expense in profit or loss (Note 2)	10 546 338	10 226 404	9 691 180	8 176 310

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

13. Trade and other receivables

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Trade receivables	36 527 567	27 785 102	30 771 506	24 422 966
Less: impairment	(11 725 547)	(4 280 642)	(10 986 082)	(3 843 352)
Net trade receivables	24 802 020	23 504 460	19 785 424	20 579 614
Other receivables	1 548 788	721 088	1 386 083	621 547
Prepayments	144 513	234 486	144 513	230 859
	26 495 321	24 460 034	21 316 020	21 432 020

Other receivables includes contractual deposits, travel advances, staff debtors and variable claims from suppliers such insurance claims

14. Amounts due from related parties

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
G4S Plc.	44 658 650	41 624 883	44 658 650	41 624 883
G4S Corporate Services Limited	-	34 279	-	34 279
G4S Facilities Management Botswana (Pty) Limited	-	-	2 419 257	1 176 650
G4S Africa (Pty) Ltd	-	126 061	-	126 061
G4S International Logistics	51 755	10 266	51 755	10 266
G4S Cash SA	443 303	245 405	443 303	245 405
	45 153 708	42 040 894	47 572 965	43 217 544

The amount due from G4S Plc. bears interest at an average of 7.4% per annum (2016: 7% per annum).
The remaining balances are interest free. The amounts due from related parties are unsecured and payable on demand.

15. Cash and cash equivalents

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Deposits at call	19 204 130	5 250 618	19 090 156	5 184 665
Cash at bank and in hand	8 580 425	3 862 495	5 986 055	2 966 444
	27 784 555	9 113 113	25 076 211	8 151 109

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

16. Stated capital and premium

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
80 000 000 ordinary shares at no par value	1 804 557	1 804 557	1 804 557	1 804 557

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets.

17. Deferred taxation

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Deferred tax reconciliation:				
Balance at beginning of the year	(1 090 918)	(450 441)	(1 078 581)	(547 834)
Movement per profit or loss	(149 991)	(640 477)	(126 753)	(530 747)
Balance at end of the year	(1 240 909)	(1 090 918)	(1 205 334)	(1 078 581)
Analysis of deferred taxation:				
Accelerated capital allowances	(88 330)	65 294	(52 756)	78 428
Prepaid revenue	(537 402)	(672 498)	(537 402)	(672 498)
Prepayments	31 793	51 587	31 793	50 790
Operating lease accrual	(640 199)	(401 973)	(640 199)	(401 973)
Royalties & Licenses (Section 50A)	(6 771)	(133 328)	(6 770)	(133 328)
	(1 240 909)	(1 090 918)	(1 205 334)	(1 078 581)

18. Trade and other payables

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Trade payables	9 966 482	9 583 480	9 452 126	8 854 872
VAT	1 711 557	1 077 102	1 417 989	879 468
Payroll accruals	11 567 715	10 810 978	10 660 772	9 771 396
Advance from customers	2 422 389	3 026 936	2 422 389	3 026 936
Other payables and accruals	2 895 891	5 160 232	2 470 264	4 574 013
	28 564 034	**29 658 728**	**26 423 540**	**27,106,685**

Other payables and accruals include unpaid dividends, customer claims and accrued expenses such as utilities, audit fees, and telephones etc.

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

19. Amounts due to related parties

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
G4S Plc	488 238	479 629	488 238	479 629
G4S Services and Supply	68 241	60 677	68 241	60 677
Indo- British Garment Corporate	2 788 347	-	2 788 347	-
G4S Africa (Pty) Ltd	18 528	-	18 528	-
G4S Cash Deposita	428 104	1 591 776	428 104	1 591 776
	3 791 458	**2 132 082**	**3 791 458**	**2 132 082**

These amounts are interest free, unsecured and payable within 30 days from invoice date.

20. Taxation Paid

	GROUP 2017 Pula	GROUP 2016 Pula	COMPANY 2017 Pula	COMPANY 2016 Pula
Amounts payable/(refundable) at beginning of year	(2 550 387)	602 454	(2 334 553)	639 882
Taxation per profit or loss (excluding deferred taxation)	9 131 696	7 143 145	8 343 487	6 925 188
Amounts (payable)/refundable at end of year	(1 924 307)	2 550 387	1 494 704	2 334 553
	4 657 002	**10 295 987**	**4 514 230**	**9 899 623**

21. Dividends paid

	GROUP 2017 Pula	GROUP 2016 Pula	COMPANY 2017 Pula	COMPANY 2016 Pula
Amounts unpaid at beginning of year	7 872 000	8 698 000	7 872 000	8 698 000
Dividends declared	9 704 000	9 315 332	9 704 000	9 088 000
	17 576 000	**18 013 332**	**17 576 000**	**17 786 000**

22. Cash generated from operating activities

	GROUP		**COMPANY**	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Cash flows from operating activities				
Profit before income tax	40 223 391	32 029 453	36 791 826	31 704 753
Adjusted for:				
Finance income	(3 061 685)	(3 171 801)	(3 061 663)	(3 171 735)
Depreciation	7 721 044	6 698 628	7 355 888	6 288 934
(Decrease)/Increase in operating lease liabilities	(83 361)	489 578	(83 361)	489 578
Increase in trade receivables impairment accrual	7 444 905	716 700	7 143 730	472 645
Loss/(profit) on disposal of motor vehicles and equipment	193 803	(244 521)	193 803	(244 521)
Operating profit before changes in working capital	**52 438 097**	**36 518 037**	**48 340 223**	**35 539 654**
Decrease/(increase) in net amounts due from related parties	1 580 329	(329 159)	337 722	(597 518)
Decrease/(increase) in inventories	302 651	(181 813)	864 940	(316 469)
Increase in trade and other receivables	(9 480 192)	(1 579 416)	(7 027 730)	(600 379)
(Decrease)/increase in trade and other payables	(1 094 694)	3 873 426	(683 145)	3 246 951
Cash inflow from operating activities	**43 746 191**	**38 301 075**	**41 832 010**	**37 272 239**

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

23. Commitments

a) *Operating lease commitments*

The Group leases properties and vehicles under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease repayments under non-cancellable leases are as follows:

	GROUP		COMPANY	
	2017 Pula	2016 Pula	2017 Pula	2016 Pula
Due within one year	4 177 558	4 530 381	4 177 558	4 530 381
Due between second to third years	10 123 538	8 737 898	10 123 538	8 737 898
Due after more the 3 years	2 048 544	6 766 769	2 048 544	6 766 769
	16 349 640	**24 035 048**	**16 349 640**	**24 035 048**

b) *Capital commitments*

There are no capital commitments that were contracted for at the end of the reporting period.

24. Deferred operating lease obligations

The operating lease accruals relate to operating lease contracts entered into between the company and the following parties:

- Estate Property Investments (Pty) Ltd for the rental of premises. This lease contract is for a period of 15 years from 01 February 2011 to 31 January 2026. The lease contract is subject to a fixed annual escalation of 10% per annum and
- Merge Holdings (Pty) Ltd for the rental of premises. This lease contract is for a period of 5 years from 01 February 2016 to 31 January 2021. The lease contract is subject to a fixed annual escalation of 10% per annum.

As at reporting date the deferred lease obligation for both Group and Company amounted to P1,743,788 (2016: P1,827,149) has been recognised as liability in view of the adjustment to straight-line rentals over the period of leases.

25. Related party transactions

The related parties noted above are classified as related parties due to the following:

Related company	Relationship
G4S International 105 (UK) Ltd	Holding company
G4S Plc	Ultimate holding company
G4S Services & Supply	Fellow subsidiary
G4S Corporate Services Ltd	Fellow subsidiary
G4S Africa (Pty) Ltd	Fellow subsidiary
Indo British Garment Corporate	Fellow subsidiary
G4S Cash SA	Fellow subsidiary
G4S Cash Deposita	Fellow subsidiary
G4S Facilities Management Botswana (Pty) Ltd	Subsidiary

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

25. Related party transactions (continued)

		GROUP		COMPANY	
		Amount of transaction		Amount of transaction	
Entity name	Nature of transaction	2017	2016	2017	2016
G4S Plc	Interest received	3 033 767	3 155 640	3 033 767	3 155 640
G4S Plc	Deposits	-	(2 155 640)	-	(2 155 640)
G4S Plc	Royalty fees	(1 971 956)	(1 962 864)	(1 971 956)	(1 962 864)
G4S International 105 (UK) Ltd	Dividend paid	(11 688 040)	(15 131 520)	(11 688 040)	(15 131 520)
G4S Services & Supply	Salaries	(244 597)	(681 328)	(244 597)	(681 328)
G4S Corporate Services Ltd	Management fees	(85 572)	(343 905)	(85 572)	(343 905)
G4S Corporate Services Ltd	Global Insurance – CIT	-	(111 679)	-	(111,679)
G4S Corporate Services Ltd	Google Licences	(71 638)	(172 528)	(71 638)	(172 528)
G4S Deposita Systems	Deposita machines purchased	(834 041)	(1 591 776)	(834 041)	(1 591 776)
G4S Cash SA	Intercompany sales	(2 630 407)	3 133 205	(2 630 407)	3 133 205
G4S Africa (Pty) Ltd	Expenses paid	(432 320)	(487 346)	(432 320)	(487 346)
G4S Facilities Management (PTY) Ltd	Goods and service	-	-	684 268	754 095
G4S Facilities Management (PTY) Ltd	Dividends received	-	-	-	570 324
Indo British Garments	Intercompany purchases	(4 266 783)	-	(4 266 783)	-

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

The related parties noted above are classified as related parties due to the following:

26 Financial instruments

Financial assets

	2017		2016	
	Current	Total	Current	Total
GROUP	Pula	Pula	Pula	Pula
Trade Receivables	24 802 020	24 401 030	23 504 460	23 504 460
Cash and cash equivalents	27 784 555	27 784 555	9 113 113	9 113 113
Loans to related parties	45 153 708	45 153 708	42 040 894	42 040 894
Other receivables	1 548 788	1 548 788	721 088	721 088
	99 289 071	99 289 071	75 379 555	75 379 555

	2017		2016	
	Current	Total	Current	Total
COMPANY	Pula	Pula	Pula	Pula
Trade Receivables	19 785 424	19 785 424	20 579 614	20 579 614
Cash and cash equivalents	25 076 211	25 076 211	8 151 109	8 151 109
Loans to related parties	47 572 965	47 572 965	43 217 544	43 217 544
Other receivables	1 386 083	1 386 083	621 547	621 547
	93 820 683	93 820 683	72 569 814	72 569 814

Financial liabilities

	2017		2016	
	Current	Total	Current	Total
GROUP	Pula	Pula	Pula	Pula
Trade payables	9 966 482	9 966 482	9 583 480	9 583 480
Amounts due to related parties	3 791 458	3 791 458	2 132 082	2 132 082
Other payables and accruals	2 895 891	2 895 891	5 160 232	5 160 232
	16 653 831	16 653 831	16 875 794	16 875 794

	2017		2016	
	Current	Total	Current	Total
COMPANY	Pula	Pula	Pula	Pula
Trade payables	9 452 126	9 452 126	8 854 872	8 854 872
Amounts due to related parties	3 791 458	3 791 458	2 132 082	2 132 082
Other payables and accruals	2 470 264	2 470 264	4 574 013	4 574 013
	15 713 848	15 713 848	115 560 967	15 560 967

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

27 Segmental Reporting

GROUP Business Segments -2017	Security Systems	Manned Security	Cash Solutions	Facilities Management	Cleaning Services	Total Segments
Sale of goods	3 619 760	-	5 714 382	-	-	9 334 142
Rendering of service	56 968 621	68 358 332	61 845 264	2 741 263	19 901 472	209 814 952
Total Revenue	60 588 381	68 358 332	67 559 646	2 741 263	19 901 472	219 149 094
Inter-segment	-	-	-	-	(684 268)	(684 268)
Total Revenue	60 588 381	68 358 332	67 559 646	2 741 263	19 217 204	218 464 826
Profit before tax	11 553 523	4 968 625	21 987 803	(1 718 125)	3 431 565	40 223 391
Depreciation	1 277 227	1 240 398	4 780 123	58 140	365 156	7 721 044
Finance income	1 347 132	765 415	918 500	30 616	22	3 061 685
Finance expense	(419)	(238)	(285)	(10)	-	(952)
Total assets	56 833 563	32 291 797	38 750 157	1 291 672	7 812 995	136 980 184
Capital expenditure	1 441 218	818 874	982 649	32 754	-	3 275 495
Total liabilities	(14 719 535)	(8 363 373)	(10 036 047)	(334 535)	(2 570 097)	(36 023 588)

COMPANY Business Segments -2017	Security Systems	Manned Security	Cash Solutions	Facilities Management	Total Segments
Sale of goods	3 619 760	-	5 714 382	-	9 334 142
Rendering of service	56 968 621	68 358 332	61 845 264	2 741 263	189 913 480
Total Revenue	**60 588 381**	**68 358 332**	**67 559 646**	**2 741 263**	**199 247 622**
Profit before tax	11 553 523	4 968 625	21 987 803	(1 718 125)	36 791 826
Depreciation	1 277 227	1 240 398	4 780 123	58 140	7 355 888
Finance income	1 347 132	765 415	918 500	30 616	3 061 663
Finance expense	(419)	(238)	(285)	(10)	(952)
Total assets	56 833 563	32 291 797	38 750 157	1 291 672	129 167 189
Capital expenditure	1 441 218	818 874	982 649	32 754	3 275 495
Total liabilities	(14 719 535)	(8 363 373)	(10 036 047)	(334 535)	(33 453 490)

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

27 Segmental Reporting *(continued)*

GROUP Business Segments -2016	Security Systems	Manned Security	Cash Solutions	Facilities Management	Cleaning Services	Total Segments
Sale of goods	4 293 785	-	5 972 763	-	261 984	10 528 532
Rendering of services	56 934 008	66 763 927	57 173 541	3 762 490	19 428 235	204 062 201
Total revenue	61 227 793	66 763 927	63 146 304	3 762 490	19 690 219	214 590 733
Inter-segment revenue	-	-	-	-	(754 095)	(754 095)
Segment revenue	61 227 793	66 763 927	63 146 303	3 762 490	18 936 124	213 836 638
Profit before tax	9 671 492	4 282 453	16 943 610	236 874	895 024	32 029 453
Depreciation	54 690	2 645 350	3 531 279	57 615	409 694	6 698 628
Finance income	1 395 563	792 934	951 520	31 717	67	3 171 801
Finance expense	(12 590)	(7 153)	(8 584)	(286)	-	(28 613)
Total assets	50 943 429	28 945 132	34 734 158	1 157 806	5 128 345	120 908 870
Capital expenditure	533 151	3 322 610	5 600 385	3 284	446 877	9 906 307
Total liabilities	(13 669 003)	(7 766 479)	(9 319 775)	(310 659)	(2 552 043)	(33 617 959)

COMPANY Business Segments -2016	Security Systems	Manned Security	Cash Solutions	Facilities Management	Total Segments
Sale of goods	4 293 785	-	5 972 763	-	10 266 548
Rendering of service	56 934 008	66 763 928	57 173 540	3 762 490	184 633 966
Total revenue	61 227 793	66 763 928	63 146 303	3 762 490	194 900 514
Profit before tax	9 922 434	4 425 035	17 114 707	242 577	31 704 753
Depreciation	54 690	2 645 350	3 531 279	57 615	6 288 934
Finance income	1 359 563	792 935	951 520	31 717	3 171 735
Finance expense	(12 590)	(7 153)	(8 584)	(286)	(28 613)
Total assets	50 943 429	28 945 132	34 734 158	1 157 806	115 780 525
Capital expenditure	533 151	3 322 610	5 600 385	3 284	9 459 430
Total liabilities	(13 669 003)	(7 766 479)	(9 319 775)	(310 659)	(31 065 916)

Reconciliation of information on reportable segments to IFRS measures

Notes to the annual financial statements *(continued)*

for the year ended 31 December 2017

27 Segmental Reporting *(continued)*

		2017	2016
1.	Revenue		
	Total revenue for reportable segments	219 149 094	214 590 733
	Elimination of inter-segment revenue	(684 268)	(754 095)
	Consolidated revenues	**218 464 826**	**213 836 638**
2.	Profit before tax		
	Total profit before tax for reportable segments	40 223 391	32 029 453
	Consolidated profit from continuing operations	**40 223 391**	**32 029 453**
3.	Assets		
	Total assets for reportable segments	136 980 184	120 908 870
	Consolidated total assets	**136 980 184**	**120 908 870**
4.	Liabilities		
	Total liabilities for reportable segments	36 023 587	33 617 959
	Consolidated total liabilities	**36 023 587**	**33 617 959**

28 Events occurring after the reporting period

Subsidiary

There are no material adjusting events after the reporting. However, the entity has had a manpower rationalisation project post year-end resulting in job losses

29 Contingent liabilities and assets

There are no contingent liabilities and assets as at the end of 31 December 2017.

Notes

1. A Shareholder must insert the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow

2. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favor of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

3. Forms of proxy must be lodged at or posted to the Transfer Secretaries of the Company, Grant Thornton Botswana, Acumen Park, Plot 50370 Fairgrounds, and P. O. Box 1157, Gaborone to be received not later than 24 hours before the General Meeting.

4. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.

5. The Chairman of the General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he is satisfied as to the manner in which the Shareholder concerned wishes to vote.

6. An instrument of proxy shall be valid for the General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

7 A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the Shareholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the Ordinary Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company not less than one hour before the commencement of the General Meeting or adjourned General Meeting at which the proxy is to be used.

8. The authority of a person signing the form of proxy under a power of attorney or on behalf of a company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the Company or the Transfer Secretaries.

9 Where Ordinary Shares are held jointly, all joint Shareholders must sign.

10. A minor must be assisted by his/her guardian, unless relevant documents establishing his/her legal capacity are produced or have been registered by the Company.

Proxy Form

G4S (Botswana) Limited

For completion by holders of Ordinary shares
Please read the notes overleaf before completing this form
For use at the Annual General Meeting of Shareholders of the company to be held at Cresta Lodge, Gaborone on 30 August 2018 at 16:30Hours.

I/We ______________________________
(Name in block letters)
Of (Address) ______________________________

Hereby appoint 1. ______________________________

or failing him/her, ______________________________

or failing him/her, ______________________________

The chairman of the meeting

As my /our proxy to act for me/us at the 2018 Annual General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the Ordinary Shares registered in my/our name in accordance with the following instruction

Number of ordinary shares

		For	Against	Abstain
Ordinary resolution 1	Agenda No 2			
Ordinary resolution 2	Agenda No 3			
Ordinary resolution 3	Agenda No 4			
Ordinary resolution 4	Agenda No 5			
Ordinary resolution 6	Agenda No 6			
Ordinary resolution 7	Agenda No 7			
Ordinary resolution 8	Agenda No 8			

Signed at ______________________________
Date: ______________________________
Signature: ______________________________
Assisted by (where applicable): ______________________________

Each shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.
Please read notes 1 -7 on the reverse side hereof

1. A Shareholder must insert the names of two alternative proxies of the Shareholders choice in the space provided with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.

Proxy Form

2. A shareholders instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.
3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.
4. The Chairman of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
5. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
6. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.
7. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian.

Notice of Annual General Meeting

for the year ended 31 December 2017

Notice is hereby given that the 39th Annual General Meeting of Shareholders of G4S (Botswana) Limited will be held at Cresta Lodge, Gaborone on 30 August 2018 at 1630Hours, for the purpose of transacting the following business:

Agenda:

1. To establish the presence of a quorum and read the notice convening the meeting.
2. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2017, together with the Report of the Auditors thereon.
3. To consider and ratify the distribution of dividend declared for the year ended 31 December 2017 as follows:
   3.1. Gross Dividend declared in 20 September 2017 – P0.1213 per share
   3.2. Gross Dividend declared in 30 April 2018 – P0.12 per share
4. To re-elect Gaone Susan Macholo, who retires by rotation in terms of Section 20.10 of the Constitution of the Company and being eligible, offers herself for re-election.
5. To re-elect Albert Edward Uekermann, who retires by rotation in terms of Section 20.10 of the Constitution and, being eligible, offers himself for re-election.
6. To consider and approve the remuneration paid to Non-Executive Directors for the year ended 31 December 2017
7. To consider and approve the revision of the Board sitting fees with effect from 1 January 2018 as recommended by the Board of Directors in Annexure A of the Annual Report
8. To approve the remuneration paid to the auditors for the year ended 31 December 2017
9. To appoint PricewaterhouseCoopers (PWC) Botswana as auditors of the Company for the ensuing financial year and authorize the directors to fix their remuneration
10. Any Other Business

To answer any questions raised by shareholders in respect of the affairs and the business of the company.

11. To close the meeting

Voting and Proxies

A member entitled to attend and vote may appoint a proxy (who need not be a member of the company) to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy must be lodged at or posted to the Company Secretaries at the below stated address not less than 48 hours before the meeting. Grant Thornton is authorized to receive and count postal votes.

By order of the Board
Company Secretaries
Grant Thornton Business Services (Pty)
Acumen Park
Plot 50370, Fairgrounds Office Park
P. O. Box 1157
Gaborone

Lebang M Mpotokwane
Chairman of the Board of Directors

Mokgethi Frederick Magapa
Managing Director 29th June 2017

Annexure A

G4S Board Members are currently paid P________ and P_________ per sitting for ordinary Board Members and Chairman, respectively.

An analysis of Board remuneration rate of comparable companies in the market show that on average Board Members' sitting fees range from P10, 000.00 to P30,000.00.

Therefore in light of the responsibilities of the Directors and the risks carried by the Directors and also to align the G4S Board remuneration with prevailing market rates, the Directors have recommended a revision of the Board sitting fees as follows:

P12,000.00 per sitting for all Board Members with effect from 1 January 2018.

G4S (Botswana) Limited

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